

Telecommunication Industry (Total)
Statement of Cash Flows
For the Year Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$1,709,771)	(\$1,589,252)	(\$1,410,130)	(\$472,860)	(\$705,132)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,298,380	1,366,019	1,368,157	1,382,532	1,495,447	2
Changes in Deferred Income Taxes	(401,205)	(373,433)	95,139	139,996	(181,360)	3
Changes in Working Capital	(27,136)	(190,921)	5,696	(156,947)	(301,407)	4
Capitalized AFDC - Equity	(74)	(39)	(13)	(15)	(19)	5
Other	763,601	1,339,989	1,459,585	202,478	394,377	6
Total Non-Cash Items	1,633,566	2,141,615	2,928,564	1,568,043	1,407,038	7
Net Cash Provided From Operating Activities	<u>(76,205)</u>	<u>552,364</u>	<u>1,518,434</u>	<u>1,095,183</u>	<u>701,906</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,188,283)	(1,189,477)	(1,266,733)	(1,359,375)	(1,428,812)	9
Purchase of Other Investments	(422,695)	193,309	44,144	(26,941)	(28,183)	10
Sale of Other Investments	15,018	38,523	71,660	56,778	(52,135)	11
Other	1,646	(2,361)	(7,096)	(74,758)	(9,871)	12
Net Cash Provided From Investing Activities	<u>(1,594,313)</u>	<u>(960,007)</u>	<u>(1,158,024)</u>	<u>(1,404,298)</u>	<u>(1,519,002)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(3,691)	(1,004,379)	(402,646)	(4,038)	(255,665)	14
Common Stock	(447)	(4,549)	(929)	(531)	(600)	15
Preferred Stock	(5)	(0)	(1)	(610)		16
Short-Term Debt	1,691,243	1,824,299	318,052	451,783	785,603	17
Dividends Paid	(9,366)	(408,585)	(261,751)	(145,431)	(167,809)	18
Other Financing	(4,353)	(2,515)	(7,583)	7,927	465,248	19
				(972)	(466,443)	
Net Cash Provided From Financing Activities	<u>1,673,381</u>	<u>404,271</u>	<u>(354,858)</u>	<u>308,128</u>	<u>360,333</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,863	(3,372)	5,553	(986)	(456,763)	21
Cash & Equivalents at Beginning of Year	62,093	65,465	59,912	61,157	517,920	22
Cash & Equivalents at End of Year	\$64,956	\$62,093	\$65,465	\$60,171	\$61,157	23

Table 5 T

Telecommunications Industry (Total)
Distribution of Telephone Revenues
Years ended December 31,
(\$000s)

	2012	2011	2010	2009	2008
1 Revenues	\$5,676,392	\$5,691,859	\$5,688,834	\$5,932,296	\$6,250,093
2 Access Lines	4,134,840	4,770,476	5,358,510	6,025,573	6,801,941
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,347,403	\$4,222,441	\$4,095,046	\$3,058,238	\$3,037,533
4 Depreciation and Amortization	1,314,303	1,365,793	1,371,267	1,386,223	1,498,255
5 Other Operations Expense	2,499,873	2,351,414	2,322,348	2,378,785	2,221,770
6 Total Operation Expenses	8,161,590	7,938,089	7,788,662	6,823,246	6,757,558
7 Income Taxes - Operating Taxes	(1,202,578)	(1,055,669)	(964,613)	(629,919)	(471,288)
8 Other Taxes - Operating Taxes	452,565	502,662	465,409	501,179	517,954
9 Capital Costs	(1,735,185)	(1,693,224)	(1,600,624)	(762,209)	(554,130)
10 Total	\$5,676,392	\$5,691,859	\$5,688,834	\$5,932,296	\$6,250,093
PERCENT OF REVENUES					
11 Wages and Benefits	76.6	74.2	72.0	51.6	48.6
12 Depreciation and Amortization	23.2	24.0	24.1	23.4	24.0
13 Other Operations Expense	44.0	41.3	40.8	40.1	35.5
14 Income Taxes - Operating Taxes	(21.2)	(18.5)	(17.0)	(10.6)	(7.5)
15 Other Taxes - Operating Taxes	8.0	8.8	8.2	8.4	8.3
16 Capital Costs	(30.6)	(29.7)	(28.1)	(12.8)	(8.9)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,051.41	885.12	764.21	507.54	446.57
19 Depreciation and Amortization	317.86	286.30	255.90	230.06	220.27
20 Other Operations Expense	604.59	492.91	433.39	394.78	326.64
21 Income Taxes - Operating Taxes	(290.84)	(221.29)	(180.02)	(104.54)	(69.29)
22 Other Taxes - Operating Taxes	109.45	105.37	86.85	83.18	76.15
23 Capital Costs	(419.65)	(354.94)	(298.71)	(126.50)	(81.47)
24 Total	1,372.82	1,193.47	1,061.64	984.52	918.87

Telecommunications Industry (Total)
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,623,716.92	\$3,649,783.59	\$3,699,623.42	\$3,793,073.72	\$3,826,633.10	1
Central Office Assets	10,935,560	10,720,065	12,759,857	13,075,934	12,965,298	2
Information Origination/Termination	234,586	230,931	299,013	366,947	418,072	3
Cable And Wire Facilities	14,777,323	17,578,962	15,912,667	17,052,905	16,272,054	4
Amortizable Assets	955,631	924,275	301,178	329,084	339,161	5
Total Plant In Service	30,526,818	33,104,017	32,972,339	34,617,944	33,821,218	6
Property Held For Future Use		11	11	11	1,863	7
Plant Under Construction	296,320	334,620	303,328	242,256	212,527	8
Tel. Acquisition	142,620	142,620	142,620	142,895	142,620	9
Other Plant	(0)	(0)			275	10
Nonoperating Plant	3,319	10,039	16,007	13,806	18,080	11
Goodwill	4,493	4,493	4,493	1,710	1,710	12
Total Telecommunications Plant	30,973,570	33,595,799	33,438,798	35,018,621	34,198,295	13
Less Acc. Prov. For Depreciation & Amort.	19,680,071	22,095,151	21,903,048	23,483,253	22,712,098	14
Net Total Utility Plant	\$11,293,499	\$11,500,649	\$11,535,750	\$11,535,368	\$11,486,197	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.16	0.21	0.26	0.28	0.39	16
Total Capitalization (\$000)	\$5,087,397	\$5,194,071	\$6,315,000	\$8,215,473	\$8,241,223	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	20.9%	24.4%	35.9%	27.7%	32.5%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	-65.3%	-29.4%	6.5%	27.1%	32.8%	20
Short-Term Debt	144.3%	105.0%	57.5%	45.2%	34.7%	21
Pretax Coverage of Interest Expense	-7.76	-7.33	-5.65	-2.53	-2.82	22
Com. Stock Dividends as a % of Earnings	-0.3%	-25.6%	-18.6%	-31.8%	-23.8%	23
Return on Common Equity	70.6%	284.8%	-107.1%	-19.4%	-22.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-1.9%	50.7%	124.3%	84.6%	53.5%	25
CWIP as a % of Plant	1.0%	1.0%	0.9%	0.7%	0.6%	26

Notes:

The return on equity calculation for Citizens New York reflects the return on total capitalization.

Current Assets	1,345,360,615	1,289,522,028	1,248,099,251	1,380,200,458	1,750,851,743
Current Liabilities	8,201,921,374	6,255,529,764	4,786,674,811	4,957,165,881	4,521,797,752
Total Capitalization	5,087,396,527	5,194,071,238	6,314,999,528	8,215,472,880	8,241,223,402
Long-Term Debt	1,063,612,842	1,266,266,286	2,269,733,180	2,277,240,295	2,680,810,946
Preferred Stock	418,500	923,500	923,700	925,100	926,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	(3,320,081,152)	(1,527,400,531)	412,115,288	2,227,968,293	2,702,544,894
Short-Term Debt	7,343,446,337	5,454,281,983	3,632,227,360	3,709,339,193	2,856,940,862
Pretax Income	(2,593,901,032)	(2,315,435,406)	(1,996,464,495)	(773,641,885)	(858,317,664)
Interest Expense	334,127,763	315,790,404	353,178,729	305,571,573	304,823,109
Dividends Paid	5,002,647	406,825,183	263,347,671	151,650,438	168,937,761
Net Income (Excl. Preferred Stock Dividends)	(1,710,663,287)	(1,588,179,318)	(1,413,847,591)	(477,392,904)	(708,973,541)
Internal Cash	(22,498,283)	603,511,806	1,575,050,381	1,149,612,620	763,956,642
Cash Outflows for Construction	(1,188,283,073)	(1,189,476,976)	(1,266,732,641)	(1,359,375,481)	(1,428,570,895)
CWIP	296,320,081	333,184,848	303,328,348	242,255,667	212,527,486
Total Plant	30,973,427,881	33,595,654,285	33,438,797,619	35,018,620,799	34,198,294,520
Shares Outstanding	1,590,419	7,808,283	7,564,483	61,497,723	7,575,237
Number of Employees	16,931	17,778	18,044	21,357	22,365

Telecommunication Industry (Without New York Telephone)
Statement of Cash Flows
For the Year Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$53,013	\$48,839	\$74,039	\$118,314	\$155,467	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	125,964	152,514	150,190	153,532	161,981	2
Changes in Deferred Income Taxes	2,567	3,126	3,614	14,814	336	3
Changes in Working Capital	290,534	44,806	63,820	(48,227)	(13,911)	4
Capitalized AFDC - Equity	(74)	(39)	(13)	(15)	(19)	5
Other	(4,893)	1,216	(12,177)	(17,461)	(24,666)	6
Total Non-Cash Items	414,098	201,623	205,434	102,643	123,721	7
Net Cash Provided From Operating Activities	<u>467,111</u>	<u>250,462</u>	<u>279,474</u>	<u>220,957</u>	<u>279,189</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(47,676)	(52,065)	(62,898)	(54,817)	(59,357)	10
Purchase of Other Investments	(422,695)	193,309	44,388	(24,064)	(29,567)	11
Sale of Other Investments	5,322	6,820	7,011	3,140	3,134	12
Other	11,953	4,636	3,704	4,415	(9,871)	13
Net Cash Provided From Investing Activities	<u>(453,096)</u>	<u>152,699</u>	<u>(7,795)</u>	<u>(71,328)</u>	<u>(95,660)</u>	
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(3,691)	(4,379)	(2,646)	(4,038)	(5,665)	14
Common Stock	(447)	(4,549)	(929)	(531)	(607)	15
Preferred Stock	(5)		(1)	(610)		16
Short-Term Debt	(4,134)	5,614	(133)	92	259	17
Dividends Paid	(9,366)	(408,585)	(261,751)	(145,431)	(167,809)	18
Other Financing	(648)	100	(667)	875	(26)	19
Net Cash Provided From Financing Activities	<u>(18,291)</u>	<u>(411,798)</u>	<u>(266,126)</u>	<u>(149,644)</u>	<u>(173,848)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(4,276)	(8,637)	5,553	(14)	9,681	21
Cash & Equivalents at Beginning of Year	56,828	65,465	59,912	59,927	50,246	22
Cash & Equivalents at End of Year	\$52,553	\$56,828	\$65,465	\$59,912	\$59,927	23

Table 5 WT

Telecommunications Industry (Without New York Telephone)
Distribution of Telephone Revenues
Years ended December 31,
(\$000s)

	2012	2011	2010	2009	2008
1 Revenues	\$637,383	\$670,027	\$706,489	\$756,339	\$796,787
2 Access Lines	601,815	653,852	692,629	748,301	809,163
DOLLAR AMOUNTS					
3 Wages and Benefits	\$116,755	\$119,908	\$119,259	\$121,946	\$132,803
4 Depreciation and Amortization	141,886	152,287	153,300	157,223	164,789
5 Other Operations Expense	246,335	278,317	276,326	251,542	247,301
6 Total Operation Expenses	504,987	548,954	548,886	530,711	544,893
7 Income Taxes - Operating Taxes	13,293	11,504	22,213	47,461	70,167
8 Other Taxes - Operating Taxes	43,462	39,289	45,332	50,487	51,411
9 Capital Costs	75,640	70,280	90,059	127,680	130,316
10 Total	\$637,383	\$670,027	\$706,489	\$756,339	\$796,787
PERCENT OF REVENUES					
11 Wages and Benefits	18.3	17.9	16.9	16.1	16.7
12 Depreciation and Amortization	22.3	22.7	21.7	20.8	20.7
13 Other Operations Expense	38.6	41.5	39.1	33.3	31.0
14 Income Taxes - Operating Taxes	2.1	1.7	3.1	6.3	8.8
15 Other Taxes - Operating Taxes	6.8	5.9	6.4	6.7	6.5
16 Capital Costs	11.9	10.5	12.7	16.9	16.4
17 Total	100.0	100.2	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	194.00	183.39	172.18	162.96	164.12
19 Depreciation and Amortization	235.76	232.91	221.33	210.11	203.65
20 Other Operations Expense	409.32	425.66	398.95	336.15	305.63
21 Income Taxes - Operating Taxes	22.09	17.59	32.07	63.42	86.71
22 Other Taxes - Operating Taxes	72.22	60.09	65.45	67.47	63.54
23 Capital Costs	125.69	107.49	130.03	170.63	161.05
24 Total	1,059.08	1,027.12	1,020.01	1,010.74	984.71

Telecommunications Industry (Without New York Telephone)
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$331,190	\$338,118	\$336,736	\$335,388	\$333,532	1
Central Office Assets	1,503,473	1,484,406	1,461,746	1,441,905	1,420,809	2
Information Origination/Termination	42,412	41,816	41,261	40,120	41,411	3
Cable And Wire Facilities	1,759,471	1,737,652	1,715,612	1,693,959	1,665,196	4
Amortizable Assets	17,552	17,211	17,369	17,583	17,737	5
Total Plant In Service	3,654,099	3,619,203	3,572,724	3,528,955	3,478,685	6
Property Held For Future Use		11	11	11	106	7
Plant Under Construction	29,334	25,165	32,671	25,298	31,150	8
Tel. Acquisition	142,620	142,620	142,620	142,895	142,620	9
Other Plant					275	10
Nonoperating Plant	621	609	609	798	1,645	11
Goodwill	4,493	4,493	4,493	1,710	1,710	12
Total Telecommunications Plant	3,831,168	3,792,101	3,753,128	3,699,668	3,656,191	13
Less Acc. Prov. For Depreciation & Amort.	3,025,399	2,907,889	2,776,922	2,643,249	2,509,407	14
Net Total Utility Plant	805,768	884,213	976,206	1,056,418	1,146,783	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.59	1.23	1.61	2.12	1.79	16
Total Capitalization (\$000)	\$909,765	\$875,254	\$1,297,134	\$1,492,148	\$1,537,827	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.5%	1.8%	1.5%	1.8%	2.0%	18
Preferred Stock	0.0%	0.1%	0.1%	0.1%	0.1%	19
Common Stock & Retained Earnings	97.4%	96.3%	97.5%	97.7%	97.5%	20
Short-Term Debt	1.0%	1.8%	0.9%	0.5%	0.5%	21
Pretax Coverage of Interest Expense	6.66	6.74	9.80	17.50	26.20	22
Com. Stock Dividends as a % of Earnings	9.6%	815.1%	374.5%	133.3%	111.4%	23
Return on Common Equity	6.0%	4.7%	5.2%	7.7%	10.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1092.4%	579.3%	534.3%	502.4%	577.2%	25
CWIP as a % of Plant	0.8%	0.6%	0.9%	0.7%	0.9%	26

Notes:

The return on equity calculation for Citizens New York reflects the return on total capitalization.

Current Assets	320,171,731	322,404,349	277,323,039	318,937,113	283,420,338
Current Liabilities	542,031,054	261,235,581	171,913,310	150,169,669	158,121,669
Total Capitalization	909,765,165	875,253,976	1,297,134,464	1,492,148,351	1,537,827,439
Long-Term Debt	13,726,801	15,552,505	18,997,500	26,137,678	31,122,842
Preferred Stock	418,500	923,500	923,700	925,100	926,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	886,078,238	843,153,505	1,264,918,012	1,457,337,532	1,498,746,492
Short-Term Debt	9,541,626	15,624,466	12,295,252	7,748,042	7,031,405
Pretax Income	91,942,306	85,836,125	117,993,720	189,200,202	243,279,745
Interest Expense	13,803,449	12,731,338	12,035,593	10,813,122	9,287,073
Dividends Paid	5,002,647	406,825,183	263,347,671	151,650,438	168,937,761
Net Income (Excl. Preferred Stock Dividends)	52,120,644	49,911,473	70,321,259	113,781,786	151,625,513
Internal Cash	520,817,338	301,610,037	336,089,502	275,386,596	341,239,317
Cash Outflows for Construction	(47,675,929)	(52,064,721)	(62,897,593)	(54,817,494)	(59,115,275)
CWIP	29,334,328	23,730,174	32,670,556	25,298,370	31,149,821
Total Plant	3,831,025,659	3,791,956,310	3,753,127,938	3,699,667,489	3,656,190,559
Shares Outstanding	1,590,418	7,808,282	7,564,482	61,497,722	7,575,236
Number of Employees	1,491	1,555	1,647	1,684	1,817

Table 4

Telecommunications Industry (Class A)
Statement of Cash Flows
For the Year Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$1,727,367)	(\$1,605,867)	(\$1,437,813)	(\$507,173)	(\$753,414)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,259,595	1,322,733	1,326,501	1,337,827	1,446,423	2
Changes in Deferred Income Taxes	(398,450)	(371,237)	96,847	137,514	(183,163)	3
Changes in Working Capital	(63,085)	(197,140)	(4,970)	(143,051)	(305,649)	4
Capitalized AFDC - Equity						5
Other	773,716	1,347,322	1,479,919	227,204	423,685	6
Total Non-Cash Items	1,571,777	2,101,678	2,898,296	1,559,494	1,381,297	7
Net Cash Provided From Operating Activities	<u>(155,590)</u>	<u>495,811</u>	<u>1,460,484</u>	<u>1,052,320</u>	<u>627,883</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,163,435)	(1,166,069)	(1,239,120)	(1,340,633)	(1,405,099)	9
Purchase of Other Investments	(363,773)	192,143	71,701	2,532	(23,517)	10
Sale of Other Investments	9,696	31,928	65,081	53,638	(55,269)	11
Other	(10,307)	(15,954)	(18,525)	(86,310)	(15,752)	12
Net Cash Provided From Investing Activities	<u>(1,527,819)</u>	<u>(957,951)</u>	<u>(1,120,863)</u>	<u>(1,370,773)</u>	<u>(1,499,639)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(1,000,000)	(400,000)		(250,000)	14
Common Stock					7	15
Preferred Stock						16
Short-Term Debt	1,695,377	1,818,684	318,184	451,691	785,344	17
Dividends Paid		(350,000)	(250,000)	(140,000)	(125,000)	18
Other Financing	(3,705)	(2,615)	(6,916)	7,053	465,273	19
				(972)	(466,443)	
Net Cash Provided From Financing Activities	<u>1,691,672</u>	<u>466,069</u>	<u>(338,732)</u>	<u>317,772</u>	<u>409,181</u>	20
Net Increase (Decrease) in Cash & Equivalents	8,263	3,930	889	(681)	(462,575)	21
Cash & Equivalents at Beginning of Year	5,650	1,720	831	1,771	464,346	22
Cash & Equivalents at End of Year	\$13,913	\$5,650	\$1,720	\$1,090	\$1,771	23

Table 5 AT

Telecommunications Industry (Class A)
Distribution of Telephone Revenues
Years ended December 31,
(\$000s)

	2012	2011	2010	2009	2008
1 Revenues	\$5,460,337	\$5,463,493	\$5,451,315	\$5,683,483	\$5,988,066
2 Access Lines	3,902,584	4,524,007	5,096,732	5,744,148	6,498,995
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,292,706	\$4,165,818	\$4,040,840	\$3,003,496	\$2,979,239
4 Depreciation and Amortization	1,273,524	1,322,733	1,326,501	1,337,827	1,446,423
5 Other Operations Expense	2,415,265	2,256,945	2,229,584	2,285,680	2,125,047
6 Total Operation Expenses	7,981,495	7,745,496	7,596,925	6,627,002	6,550,709
7 Income Taxes - Operating Taxes	(1,208,657)	(1,061,378)	(975,125)	(645,196)	(489,215)
8 Other Taxes - Operating Taxes	437,895	488,991	450,923	484,621	501,523
9 Capital Costs	(1,750,395)	(1,709,617)	(1,621,407)	(782,944)	(574,951)
10 Total	\$5,460,337	\$5,463,493	\$5,451,315	\$5,683,483	\$5,988,066
PERCENT OF REVENUES					
11 Wages and Benefits	78.6	76.2	74.1	52.8	49.8
12 Depreciation and Amortization	23.3	24.2	24.3	23.5	24.2
13 Other Operations Expense	44.2	41.3	40.9	40.2	35.5
14 Income Taxes - Operating Taxes	(22.1)	(19.4)	(17.9)	(11.4)	(8.2)
15 Other Taxes - Operating Taxes	8.0	9.0	8.3	8.5	8.4
16 Capital Costs	(32.1)	(31.3)	(29.7)	(13.8)	(9.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,099.96	920.82	792.83	522.88	458.42
19 Depreciation and Amortization	326.33	292.38	260.26	232.90	222.56
20 Other Operations Expense	618.89	498.88	437.45	397.91	326.98
21 Income Taxes - Operating Taxes	(309.71)	(234.61)	(191.32)	(112.32)	(75.28)
22 Other Taxes - Operating Taxes	112.21	108.09	88.47	84.37	77.17
23 Capital Costs	(448.52)	(377.90)	(318.13)	(136.30)	(88.47)
24 Total	1,399.16	1,207.67	1,069.57	989.44	921.38

Telecommunications Industry (Class A)
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,493,852	\$3,519,540	\$3,569,141	\$3,661,651	\$3,695,127	1
Central Office Assets	10,488,954	10,278,894	12,322,055	12,642,021	12,536,524	2
Information Origination/Termination	223,979	220,730	289,171	358,033	410,528	3
Cable And Wire Facilities	14,249,213	17,057,884	15,397,442	16,546,250	15,772,965	4
Amortizable Assets	954,141	923,125	299,871	327,560	337,466	5
Total Plant In Service	29,410,139	32,000,173	31,877,680	33,535,516	32,752,612	6
Property Held For Future Use					1,757	7
Plant Under Construction	284,932	326,634	295,348	236,159	204,219	8
Tel. Acquisition	142,405	142,405	142,405	142,405	142,405	9
Other Plant						10
Nonoperating Plant	2,739	9,469	15,437	13,047	16,473	11
Goodwill						12
Total Telecommunications Plant	29,840,214	32,478,682	32,330,870	33,927,127	33,117,466	13
Less Acc. Prov. For Depreciation & Amort.	18,820,673	21,266,084	21,103,326	22,714,222	21,978,483	14
Net Total Utility Plant	\$11,019,542	\$11,212,598	\$11,227,545	\$11,212,905	\$11,138,984	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.14	0.18	0.23	0.25	0.36	16
Total Capitalization (\$000)	\$4,626,066	\$4,731,835	\$5,748,659	\$7,657,762	\$7,693,832	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	22.7%	26.4%	39.2%	29.4%	34.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	-81.2%	-41.4%	-2.1%	22.3%	25.1%	20
Short-Term Debt	158.5%	114.9%	63.0%	48.3%	37.5%	21
Pretax Coverage of Interest Expense	-7.91	-7.49	-5.82	-2.72	-2.31	22
Com. Stock Dividends as a % of Earnings		-21.8%	-17.4%	-27.6%	-13.2%	23
Return on Common Equity	60.4%	154.4%	-181.6%	-27.9%	-19.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-9.3%	46.2%	121.7%	82.0%	42.9%	25
CWIP as a % of Plant	1.0%	1.0%	0.9%	0.7%	0.6%	26

Notes:

The return on equity calculation for Citizens New York reflects the return on total capitalization.

Current Assets	1,169,445	1,113,712	1,085,611	1,226,940	1,602,853
Current Liabilities	8,066,203	6,152,714	4,700,566	4,890,419	4,450,005
Total Capitalization	4,626,066	4,731,835	5,748,659	7,657,762	7,693,832
Long-Term Debt	1,049,886	1,250,714	2,250,736	2,251,103	2,649,688
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(3,757,725)	(1,957,537)	(122,009)	1,705,068	1,929,507
Short-Term Debt	7,333,905	5,438,658	3,619,932	3,701,591	2,883,557
Pretax Income	(2,621,504)	(2,344,671)	(2,037,117)	(822,978)	(699,738)
Interest Expense	331,308	313,030	350,198	302,962	302,964
Dividends Paid		350,000	250,000	140,000	65,000
Net Income (Excl. Preferred Stock Dividends)	(1,727,367)	(1,605,867)	(1,437,813)	(507,173)	(494,241)
Internal Cash	(108,557)	538,892	1,507,696	1,098,979	555,818
Cash Outflows for Construction	(1,163,435)	(1,166,069)	(1,239,120)	(1,340,633)	(1,296,016)
CWIP	284,932	326,634	295,348	236,159	192,116
Total Plant	29,840,214	32,478,682	32,330,870	33,927,127	32,065,240
Shares Outstanding	1	0	0	0	57,363
Number of Employees	16,106	16,961	17,173	20,475	132,212,077

Table 4 I

Telecommunication Industry (Class B)
Statement of Cash Flows
For the Year Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$17,596	\$16,615	\$27,683	\$34,313	\$48,282	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	38,785	43,286	41,656	44,705	49,024	2
Changes in Deferred Income Taxes	(2,755)	(2,196)	(1,708)	2,482	1,802	3
Changes in Working Capital	35,949	6,220	10,667	(13,896)	4,242	4
Capitalized AFDC - Equity	(74)	(39)	(13)	(15)	(19)	5
Other	(10,116)	(7,333)	(20,334)	(24,726)	(29,308)	6
Total Non-Cash Items	61,789	39,937	30,268	8,550	25,741	7
Net Cash Provided From Operating Activities	<u>79,385</u>	<u>56,553</u>	<u>57,951</u>	<u>42,863</u>	<u>74,023</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(24,848)	(23,408)	(27,612)	(18,743)	(23,713)	9
Purchase of Other Investments	(58,922)	1,165	(27,557)	(29,473)	(4,666)	10
Sale of Other Investments	5,322	6,594	6,579	3,140	3,134	11
Other	11,953	13,593	11,429	11,552	5,881	12
Net Cash Provided From Investing Activities	<u>(66,495)</u>	<u>(2,056)</u>	<u>(37,161)</u>	<u>(33,525)</u>	<u>(19,363)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(3,691)	(4,379)	(2,646)	(4,038)	(5,665)	14
Common Stock	(447)	(4,549)	(929)	(531)	(607)	15
Preferred Stock	(5)	(0)	(1)	(610)	-	16
Short-Term Debt	(4,134)	5,614	(133)	92	259	17
Dividends Paid	(9,366)	(58,585)	(11,751)	(5,431)	(42,809)	18
Other Financing	(648)	100	(667)	875	(26)	19
	-	-	-	-	-	
Net Cash Provided From Financing Activities	<u>(18,291)</u>	<u>(61,798)</u>	<u>(16,126)</u>	<u>(9,644)</u>	<u>(48,848)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(5,400)	(7,301)	4,664	(305)	5,812	21
Cash & Equivalents at Beginning of Year	56,444	63,745	59,081	59,386	53,574	22
Cash & Equivalents at End of Year	\$51,043	\$56,444	\$63,745	\$59,081	\$59,386	23

Table 5 BT

Telecommunications Industry (Class B)
Distribution of Telephone Revenues
Years ended December 31,
(\$000s)

	2012	2011	2010	2009	2008
1 Revenues	\$216,055	\$228,367	\$237,519	\$248,813	\$262,027
2 Access Lines	232,256	246,469	261,778	281,425	302,946
DOLLAR AMOUNTS					
3 Wages and Benefits	54,698	56,623	54,207	54,742	58,294
4 Depreciation and Amortization	40,778	43,059	44,766	48,396	51,832
5 Other Operations Expense	84,609	94,469	92,764	93,105	96,723
6 Total Operation Expenses	180,095	192,593	191,737	196,243	206,849
7 Income Taxes - Operating Taxes	6,079	5,709	10,512	15,276	17,927
8 Other Taxes - Operating Taxes	14,671	13,671	14,486	16,558	16,431
9 Capital Costs	15,210	16,393	20,784	20,735	20,821
10 Total	\$216,055	\$228,367	\$237,519	\$248,813	\$262,027
PERCENT OF REVENUES					
11 Wages and Benefits	25.3	24.8	22.8	22.0	22.2
12 Depreciation and Amortization	18.9	18.9	18.8	19.5	19.8
13 Other Operations Expense	39.2	41.4	39.1	37.4	36.9
14 Income Taxes - Operating Taxes	2.8	2.5	4.4	6.1	6.8
15 Other Taxes - Operating Taxes	6.8	6.0	6.1	6.7	6.3
16 Capital Costs	7.0	7.2	8.8	8.3	7.9
17 Total	100.0	100.7	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	235.51	229.74	207.07	194.52	192.42
19 Depreciation and Amortization	175.58	174.71	171.01	171.97	171.09
20 Other Operations Expense	364.29	383.29	354.36	330.83	319.27
21 Income Taxes - Operating Taxes	26.18	23.16	40.16	54.28	59.18
22 Other Taxes - Operating Taxes	63.17	55.47	55.34	58.84	54.24
23 Capital Costs	65.49	66.51	79.39	73.68	68.73
24 Total Annual	930.20	932.88	907.33	884.12	864.93

Table 6 I

Telecommunications Industry (Class B)
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,
(\$000s)

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$129,865	\$130,244	\$130,483	\$131,423	\$131,506	1
Central Office Assets	446,607	441,171	437,802	433,913	428,774	2
Information Origination/Termination	10,606	10,202	9,842	8,914	7,544	3
Cable And Wire Facilities	528,111	521,078	515,225	506,655	499,089	4
Amortizable Assets	1,490	1,149	1,307	1,523	1,694	5
Total Plant In Service	1,116,679	1,103,843	1,094,659	1,082,428	1,068,607	6
Property Held For Future Use		11	11	11	106	7
Plant Under Construction	11,388	7,985	7,980	6,096	8,308	8
Tel. Acquisition	215	215	215	490	215	9
Other Plant	(0)	(0)	(0)	(0)	275	10
Nonoperating Plant	580	570	570	759	1,607	11
Goodwill	4,493	4,493	4,493	1,710	1,710	12
Total Telecommunications Plant	1,133,356	1,117,117	1,107,927	1,091,494	1,080,828	13
Less Acc. Prov. For Depreciation & Amort.	859,398	829,066	799,722	769,031	733,615	14
Net Total Utility Plant	\$273,958	\$288,051	\$308,205	\$322,463	\$347,213	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.30	1.71	1.89	2.30	2.06	16
Total Capitalization (\$000)	\$461,330	\$462,236	\$566,341	\$557,711	\$547,391	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	3.0%	3.4%	3.4%	4.7%	5.7%	18
Preferred Stock	0.1%	0.2%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	94.9%	93.1%	94.3%	93.8%	92.9%	20
Short-Term Debt	2.1%	3.4%	2.2%	1.4%	1.3%	21
Pretax Coverage of Interest Expense	9.79	10.59	13.64	18.90	37.18	22
Com. Stock Dividends as a % of Earnings	29.9%	321.3%	55.7%	39.1%	98.9%	23
Return on Common Equity	3.8%	3.7%	4.5%	5.8%	8.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	346.3%	276.1%	243.9%	270.2%	323.6%	25
CWIP as a % of Plant	1.0%	0.6%	0.7%	0.6%	0.8%	26

Current Assets	175,916	175,810	162,488	153,261	147,998
Current Liabilities	135,718	102,816	86,109	66,746	71,793
Total Capitalization	461,330	462,236	566,341	557,711	547,391
Long-Term Debt	13,727	15,553	18,998	26,138	31,123
Preferred Stock	419	924	924	925	927
Common Stock and Retained Earnings (Excl. Preferred Stock)	437,643	430,136	534,124	522,900	508,310
Short-Term Debt	9,542	15,624	12,295	7,748	7,031
Pretax Income	27,603	29,236	40,653	49,336	69,097
Interest Expense	2,820	2,761	2,981	2,610	1,858
Dividends Paid	5,003	56,825	13,348	11,650	43,938
Net Income (Excl. Preferred Stock Dividends)	16,703	17,688	23,965	29,781	44,440
Internal Cash	86,059	64,620	67,354	50,634	75,947
Cash Outflows for Construction	(24,848)	(23,408)	(27,612)	(18,743)	(23,471)
CWIP	11,388	6,550	7,980	6,096	8,308
Total Plant	1,133,214	1,116,972	1,107,927	1,091,494	1,080,828
Shares Outstanding	1,589	7,808	7,564	61,498	7,575
Number of Employees	825	817	871	882	929

ALLTEL New York, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$4,600,161	\$1,238,590	\$4,244,648	\$3,541,882	\$6,487,089	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	8,806,911	8,403,704	8,767,317	8,385,425	8,815,437	2
Changes in Deferred Income Taxes	(1,195,192)	(690,345)	(1,460,022)	693,269	(1,168)	3
Changes in Working Capital	(1,693,883)	(1,714,290)	2,488,258	(7,842,339)	3,349,493	4
Capitalized AFDC - Equity	(73,774)	(39,004)	(13,332)	(15,342)	(18,680)	5
Other	134,194	828,600	(580,605)	(104,141)	117,829	6
Total Non-Cash Items	5,978,256	6,788,665	9,201,616	1,116,872	12,262,911	7
Net Cash Provided From Operating Activities	<u>10,578,417</u>	<u>8,027,255</u>	<u>13,446,264</u>	<u>4,658,754</u>	<u>18,750,000</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(8,487,869)	(4,199,225)	(7,172,779)	(3,772,174)	(3,738,335)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(8,487,869)</u>	<u>(4,199,225)</u>	<u>(7,172,779)</u>	<u>(3,772,174)</u>	<u>(3,738,335)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments):						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(4,140,000)	(1,114,000)	(3,800,000)	(3,249,466)	(5,800,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(4,140,000)</u>	<u>(1,114,000)</u>	<u>(3,800,000)</u>	<u>(3,249,466)</u>	<u>(5,800,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(2,049,452)	2,714,030	2,473,485	(2,362,886)	9,211,665	21
Cash & Equivalents at Beginning of Year	31,833,483	29,119,453	26,645,968	29,008,854	19,797,189	22
Cash & Equivalents at End of Year	\$29,784,031	\$31,833,483	\$29,119,453	\$26,645,968	\$29,008,854	23

ALLTEL New York, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$37,195,862	\$38,155,879	\$39,569,242	\$40,818,508	\$44,103,040
2 Access Lines	49,810	52,713	55,255	59,764	65,676
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,472,751	\$6,402,944	\$5,092,811	\$5,500,426	\$5,736,857
4 Depreciation and Amortization	8,806,911	8,403,704	8,767,317	8,385,425	8,815,437
5 Other Operations Expense	11,208,672	15,534,182	13,422,910	15,727,999	17,078,861
6 Total Operation Expenses	24,488,334	30,340,830	27,283,038	29,613,850	31,631,155
7 Income Taxes - Operating Taxes	2,325,341	589,399	2,293,363	1,914,050	3,498,399
8 Other Taxes - Operating Taxes	3,632,662	3,553,122	3,568,859	3,884,753	3,299,330
9 Capital Costs	6,749,525	3,672,528	6,423,981	5,405,855	5,674,156
10 Total	\$37,195,862	\$38,155,879	\$39,569,242	\$40,818,508	\$44,103,040
PERCENT OF REVENUES					
11 Wages and Benefits	12.0	16.8	12.9	13.5	13.0
12 Depreciation and Amortization	23.7	22.0	22.2	20.5	20.0
13 Other Operations Expense	30.1	40.7	33.9	38.5	38.7
14 Income Taxes - Operating Taxes	6.3	1.5	5.8	4.7	7.9
15 Other Taxes - Operating Taxes	9.8	9.3	9.0	9.5	7.5
16 Capital Costs	18.1	9.6	16.2	13.2	12.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	89.80	121.47	92.17	92.04	87.35
19 Depreciation and Amortization	176.81	159.42	158.67	140.31	134.23
20 Other Operations Expense	225.03	294.69	242.93	263.17	260.05
21 Income Taxes - Operating Taxes	46.68	11.18	41.51	32.03	53.27
22 Other Taxes - Operating Taxes	72.93	67.41	64.59	65.00	50.24
23 Capital Costs	135.51	69.67	116.26	90.45	86.40
24 Total	746.75	723.84	716.12	682.99	671.52

ALLTEL New York, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
	TELECOMMUNICATIONS PLANT					
Plant In Service						
General Support Assets	\$20,541,860	\$20,443,222	\$20,265,510	\$20,232,523	\$20,109,951	1
Central Office Assets	98,285,483	94,191,700	91,445,186	89,242,672	87,197,032	2
Information Origination/Termination	41,889	41,889	46,026	127,591	146,945	3
Cable And Wire Facilities	106,263,891	104,629,846	103,612,796	102,601,927	101,344,697	4
Amortizable Assets						5
Total Plant In Service	225,133,123	219,306,657	215,369,518	212,204,713	208,798,625	6
Property Held For Future Use						7
Plant Under Construction	3,732,069	1,380,338	1,593,329	1,063,803	1,641,718	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	37,008	37,008	37,008	37,008	37,008	11
Goodwill	2,783,153	2,783,153	2,783,153			12
Total Telecommunications Plant	231,685,353	223,507,156	219,783,008	213,305,524	210,477,351	13
Less Acc. Prov. For Depreciation & Amort.	177,728,068	169,303,614	161,406,175	153,324,053	145,782,209	14
Net Total Utility Plant	\$53,957,285	\$54,203,542	\$58,376,833	\$59,981,471	\$64,695,142	15
	SELECTED RATIOS AND STATISTICS					
Current Assets / Current Liabilities	7.69	17.30	8.57	15.31	3.92	16
Total Capitalization	\$77,064,582	\$76,604,421	\$76,479,831	\$76,035,674	\$75,743,258	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	494679.71	130571.64	97583.26	59956.30	43989.93	22
Com. Stock Dividends as a % of Earnings	90.0%	89.9%	89.5%	91.7%	89.4%	23
Return on Common Equity	6.0%	1.6%	5.6%	4.7%	8.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	124.6%	191.1%	187.5%	123.5%	501.6%	25
CWIP as a % of Plant	1.6%	0.6%	0.7%	0.5%	0.8%	26

Current Assets	39,789,581	37,160,872	35,571,403	32,856,882	33,795,924
Current Liabilities	5,172,924	2,147,983	4,152,283	2,146,581	8,611,207
Total Capitalization	77,064,582	76,604,421	76,479,831	76,035,674	75,743,258
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	77,064,582	76,604,421	76,479,831	76,035,674	75,743,258
Short-Term Debt					
Pretax Income	6,925,516	1,828,003	6,538,078	5,456,023	9,985,715
Interest Expense	14	14	67	91	227
Common Dividends Paid	4,140,000	1,114,000	3,800,000	3,249,466	5,800,000
Net Income (Excl. Preferred Stock Dividends)	4,600,161	1,238,590	4,244,648	3,541,882	6,487,089
Internal Cash	10,578,417	8,026,199	13,446,264	4,658,754	18,750,000
Cash Outflows for Construction	(8,487,869)	(4,199,225)	(7,172,779)	(3,772,174)	(3,738,335)
CWIP	3,732,069	1,380,338	1,593,329	1,063,803	1,641,718
Total Plant	231,685,353	223,504,156	219,783,008	213,305,524	210,477,351
Shares Outstanding	2,621	2,621	2,621	2,621	2,621
Number of Employees	59	59	67	71	79

**Armstrong Telephone Co.
Statement of Cash Flows
For the Year Ended December 31,**

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$44,450	(\$20,264)	(\$77,775)	(\$168,829)	(\$305,985)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	696,371	787,618	757,128	933,528	940,505	2
Changes in Deferred Income Taxes	(138,571)	(100,972)	(57,299)	(131,632)	(25,101)	3
Changes in Working Capital	229,801	(75,235)	(67,858)	161,111	(113,922)	4
Capitalized AFDC - Equity						5
Other	(696)	26,944	55,349	(11,847)	(70,272)	6
Total Non-Cash Items	786,905	638,355	687,320	951,160	731,210	7
Net Cash Provided From Operating Activities	<u>831,355</u>	<u>618,091</u>	<u>609,545</u>	<u>782,330</u>	<u>425,225</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(48,702)	(143,573)	(\$309,774)	(398,856)	(480,115)	9
Purchase of Other Investments						10
Sale of Other Investments	970	2,098	\$6,850	(11,769)	5,682	11
Other	(671)	(9,648)	(\$2,033)	(1,195)	(3,307)	12
Net Cash Provided From Investing Activities	<u>(48,403)</u>	<u>(151,123)</u>	<u>(304,957)</u>	<u>(411,820)</u>	<u>(477,740)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(128,421)	(159,782)	(\$164,761)	(157,069)	(149,434)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(2,785)					19
Net Cash Provided From Financing Activities	<u>(131,206)</u>	<u>(159,782)</u>	<u>(164,761)</u>	<u>(157,069)</u>	<u>(149,434)</u>	20
Net Increase (Decrease) in Cash & Equivalents	651,746	307,186	139,827	213,441	(201,949)	21
Cash & Equivalents at Beginning of Year	1,489,919	1,182,733	1,042,906	829,465	1,031,414	22
Cash & Equivalents at End of Year	\$2,141,665	\$1,489,919	\$1,182,733	\$1,042,906	\$829,465	23

Armstrong Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,578,634	\$4,498,666	\$4,605,800	\$4,427,430	\$4,314,742
2 Access Lines	2,464	2,522	2,644	2,744	2,475
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,435,798	\$776,282	\$823,503	\$872,026	\$856,531
4 Depreciation and Amortization	696,371	787,618	757,128	933,528	940,595
5 Other Operations Expense	1,966,454	2,603,368	2,671,572	2,581,341	2,654,012
6 Total Operation Expenses	4,098,623	4,167,268	4,252,203	4,386,895	4,451,138
7 Income Taxes - Operating Taxes	(7,594)	(53,045)	17,345	(172,316)	(220,981)
8 Other Taxes - Operating Taxes	308,103	265,753	262,254	260,360	239,112
9 Capital Costs	179,502	118,690	73,999	(47,509)	(154,526)
10 Total	\$4,578,634	\$4,498,666	\$4,605,800	\$4,427,430	\$4,314,742
PERCENT OF REVENUES					
11 Wages and Benefits	31.4	17.3	17.9	19.7	19.9
12 Depreciation and Amortization	15.2	17.5	16.4	21.1	21.8
13 Other Operations Expense	42.9	57.9	58.0	58.3	61.5
14 Income Taxes - Operating Taxes	(0.2)	(1.2)	0.4	(3.9)	(5.1)
15 Other Taxes - Operating Taxes	6.7	5.9	5.7	5.9	5.5
16 Capital Costs	3.9	2.6	1.6	(1.1)	(3.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	582.71	307.80	311.46	317.79	346.07
19 Depreciation and Amortization	282.62	312.30	286.36	340.21	380.04
20 Other Operations Expense	798.07	1,032.26	1,010.43	940.72	1,072.33
21 Income Taxes - Operating Taxes	(3.08)	(21.03)	6.56	(62.80)	(89.29)
22 Other Taxes - Operating Taxes	125.04	105.37	99.19	94.88	96.61
23 Capital Costs	72.85	47.06	27.99	(17.31)	(62.43)
24 Total	1,858.21	1,783.77	1,741.98	1,613.49	1,743.33

Armstrong Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,593,609	\$1,688,180	\$1,714,835	\$1,702,022	\$2,120,524	1
Central Office Assets	3,902,136	4,880,504	5,696,309	5,778,000	5,640,343	2
Information Origination/Termination	87,670	87,670	87,670	206,037	206,037	3
Cable And Wire Facilities	5,878,832	6,618,348	6,538,295	6,355,446	6,177,418	4
Amortizable Assets						5
Total Plant In Service	11,462,247	13,274,702	14,037,108	14,041,506	14,144,322	6
Property Held For Future Use						7
Plant Under Construction	1,313		10,683	75,130	12,455	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,463,560	13,274,702	14,047,791	14,116,636	14,156,777	13
Less Acc. Prov. For Depreciation & Amort.	8,558,334	9,721,513	9,858,109	9,474,784	8,993,217	14
Net Total Utility Plant	\$2,905,226	\$3,553,189	\$4,189,682	\$4,641,852	\$5,163,560	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.88	0.70	0.57	2.48	2.60	16
Total Capitalization	\$4,787,434	\$4,871,401	\$5,051,449	\$5,293,985	\$5,619,883	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			0.5%	54.5%	54.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	45.7%	44.0%	42.9%	42.4%	42.9%	20
Short-Term Debt	54.3%	56.0%	56.6%	3.1%	2.8%	21
Pretax Coverage of Interest Expense	1.30	0.51	0.64	-1.03	-2.19	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	2.1%	-9.4%	-3.5%	-7.3%	-11.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1707.0%	430.5%	196.8%	196.1%	88.6%	25
CWIP as a % of Plant	0.0%		0.1%	0.5%	0.1%	26

Current Assets	2,840,909	2,226,830	1,897,947	1,848,740	1,698,595
Current Liabilities	3,234,812	3,174,575	3,338,045	744,946	653,535
Total Capitalization	4,787,434	4,871,401	5,051,449	5,293,985	5,619,883
Long-Term Debt			24,550	2,887,691	3,052,654
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,190,122	2,145,668	2,165,933	2,243,709	2,412,538
Short-Term Debt	2,597,312	2,725,733	2,860,965	162,585	154,691
Pretax Income	173,306	72,160	95,428	(161,040)	(359,460)
Interest Expense	133,423	140,147	148,400	156,500	164,118
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	44,450	(202,264)	(77,775)	(168,829)	(305,985)
Internal Cash	831,355	618,091	609,545	782,330	425,225
Cash Outflows for Construction	(48,702)	(143,573)	(309,774)	(398,856)	(480,115)
CWIP	1,313		10,683	75,130	12,455
Total Plant	11,463,559	13,274,702	14,047,791	14,116,636	14,156,777
Shares Outstanding	4,860	4,860	4,860	4,860	4,860
Number of Employees	11	11	25	25	22

Berkshire Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$275,940)	(\$185,438)	(\$5,477)	\$306,168	\$277,089	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	578,298	641,793	263,318	209,301	378,248	2
Changes in Deferred Income Taxes	(52,429)	(61,876)	95,188	146,370	741,002	3
Changes in Working Capital	50,762	(199,596)	48,000	(53,526)	317,647	4
Capitalized AFDC - Equity						5
Other	16,203	(57,256)	(84,909)	(637,133)	101,067	6
Total Non-Cash Items	592,834	323,065	321,597	(334,988)	1,537,964	7
Net Cash Provided From Operating Activities	<u>316,894</u>	<u>137,627</u>	<u>316,120</u>	<u>(28,820)</u>	<u>1,815,053</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(314,581)	(133,498)	(320,989)	(45,870)	(738,048)	9
Purchase of Other Investments				55,010	195,000	10
Sale of Other Investments					(137,632)	11
Other					(10,000)	12
Net Cash Provided From Investing Activities	<u>(314,581)</u>	<u>(133,498)</u>	<u>(320,989)</u>	<u>9,140</u>	<u>(690,680)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt					(1,100,196)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(5,000)	18
Other Financing						19
Net Cash Provided From Financing Activities					<u>(1,105,196)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,313	4,129	(4,869)	(19,680)	19,177	21
Cash & Equivalents at Beginning of Year	13,991	9,862	14,731	34,411	15,234	22
Cash & Equivalents at End of Year	\$16,304	\$13,991	\$9,862	\$14,731	\$34,411	23

Berkshire Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,460,857	\$2,618,683	\$3,054,678	\$3,312,126	\$3,378,445
2 Access Lines	3,186	3,507	3,825	4,092	4,434
DOLLAR AMOUNTS					
3 Wages and Benefits	\$522,925	\$539,295	\$691,354	\$671,627	\$696,310
4 Depreciation and Amortization	578,298	641,793	751,497	814,390	838,322
5 Other Operations Expense	1,482,985	1,574,968	1,838,995	1,836,889	1,630,372
6 Total Operation Expenses	2,584,208	2,756,055	3,281,846	3,322,906	3,165,004
7 Income Taxes - Operating Taxes	(120,489)	(114,676)	(188,431)	(258,122)	(549,563)
8 Other Taxes - Operating Taxes	181,869	80,464	196,345	179,120	239,717
9 Capital Costs	(184,731)	(103,160)	(235,081)	68,222	523,287
10 Total	\$2,460,857	\$2,618,683	\$3,054,678	\$3,312,126	\$3,378,445
PERCENT OF REVENUES					
11 Wages and Benefits	21.2	20.6	22.6	20.3	20.6
12 Depreciation and Amortization	23.5	24.5	24.6	24.6	24.8
13 Other Operations Expense	60.3	60.1	60.2	55.5	48.3
14 Income Taxes - Operating Taxes	(4.9)	(4.4)	(6.2)	(7.8)	(16.3)
15 Other Taxes - Operating Taxes	7.4	3.1	6.4	5.4	7.1
16 Capital Costs	(7.5)	(3.9)	(7.7)	2.1	15.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	164.13	153.78	180.75	164.13	157.04
19 Depreciation and Amortization	181.51	183.00	196.47	199.02	189.07
20 Other Operations Expense	465.47	449.09	480.78	448.90	367.70
21 Income Taxes - Operating Taxes	(37.82)	(32.70)	(49.26)	(63.08)	(123.94)
22 Other Taxes - Operating Taxes	57.08	22.94	51.33	43.77	54.06
23 Capital Costs	(57.98)	(29.42)	(61.46)	16.67	118.02
24 Total	772.40	746.70	798.61	809.41	761.94

Berkshire Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,661,039	\$3,862,690	\$3,850,751	\$3,775,075	\$3,787,168	1
Central Office Assets	5,829,126	5,802,475	5,747,812	5,546,840	5,254,389	2
Information Origination/Termination	313,033	313,033	313,034	313,034	313,034	3
Cable And Wire Facilities	7,146,466	7,117,370	7,105,562	7,027,501	7,002,661	4
Amortizable Assets	60,754	60,754	60,754	60,754	60,754	5
Total Plant In Service	17,010,418	17,156,322	17,077,913	16,723,204	16,418,006	6
Property Held For Future Use						7
Plant Under Construction	274,260	92,764	45,876	99,996	359,322	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	141,975	141,975	141,975	141,975	141,975	11
Goodwill						12
Total Telecommunications Plant	17,426,653	17,391,061	17,265,764	16,965,175	16,919,303	13
Less Acc. Prov. For Depreciation & Amort.	12,165,134	11,865,825	11,232,232	10,989,317	10,780,014	14
Net Total Utility Plant	\$5,261,519	\$5,525,236	\$6,033,532	\$5,975,858	\$6,139,289	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-0.23	-0.09	-0.40	-0.87	-1.15	16
Total Capitalization	\$7,520,755	\$8,012,693	\$8,344,131	\$8,503,425	\$9,195,258	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	1420.11	-3.06	#DIV/0!	#DIV/0!	-8.57	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-3.5%	-3.3%	-5.6%	-3.8%	-4.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.7%	103.1%	90.0%	-62.8%	-232.2%	25
CWIP as a % of Plant	1.6%	0.5%	0.3%	0.6%	2.1%	26

Current Assets	325,528	144,053	453,585	768,055	868,180
Current Liabilities	(1,426,233)	(1,659,957)	(1,146,018)	(884,096)	(758,205)
Total Capitalization	7,520,755	8,012,693	8,344,131	8,503,425	9,195,258
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,520,755	8,012,693	8,344,131	8,503,425	9,195,258
Short-Term Debt					
Pretax Income	(373,488)	(268,793)	(450,696)	(189,900)	(217,936)
Interest Expense	(263)	87,868			25,444
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(273,440)	(267,128)	(468,213)	(338,283)	(340,296)
Internal Cash	316,894	137,627	288,937	(28,819)	(1,713,592)
Cash Outflows for Construction	(314,581)	(133,498)	(320,989)	(45,870)	(738,048)
CWIP	274,260	92,764	45,876	99,996	359,322
Total Plant	17,284,678	17,249,086	17,265,764	16,965,175	16,919,303
Shares Outstanding	1,500	1,536	1,536	1,536	1,536
Number of Employees	8	9	10	13	15

Cassadaga Telephone Corp.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$70,145	\$130,518	\$154,737	\$111,622	\$27,448	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	151,185	149,055	145,691	142,181	154,886	2
Changes in Deferred Income Taxes	(31,111)	4,189	(4,613)	16,855	4,203	3
Changes in Working Capital	(228,746)	(237,649)	(189,620)	(109,672)	(39,334)	4
Capitalized AFDC - Equity						5
Other	54,600	20,966	(19,579)	(25,106)	9,643	6
Total Non-Cash Items	(54,072)	(63,439)	(68,121)	24,258	129,398	7
Net Cash Provided From Operating Activities	<u>16,073</u>	<u>67,079</u>	<u>86,616</u>	<u>135,880</u>	<u>156,846</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(16,062)	(66,463)	(73,543)	(132,978)	(201,615)	9
Purchase of Other Investments						10
Sale of Other Investments	902	(1,465)	(16,131)	(3,127)	48,122	11
Other						12
Net Cash Provided From Investing Activities	<u>(15,160)</u>	<u>(67,928)</u>	<u>(89,674)</u>	<u>(136,105)</u>	<u>(153,493)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities						<u>20</u>
Net Increase (Decrease) in Cash & Equivalents	913	(849)	(3,058)	(225)	3,353	21
Cash & Equivalents at Beginning of Year	265	1,114	4,172	4,397	1,044	22
Cash & Equivalents at End of Year	\$1,178	\$265	\$1,114	\$4,172	\$4,397	23

Cassadaga Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$815,744	\$864,291	\$872,669	\$916,002	\$927,164
2 Access Lines	915	957	997	1,076	1,151
DOLLAR AMOUNTS					
3 Wages and Benefits	\$272,489	\$265,587	\$296,273	\$285,616	\$363,924
4 Depreciation and Amortization	151,185	149,054	145,691	142,181	154,886
5 Other Operations Expense	209,782	223,367	237,184	343,307	340,624
6 Total Operation Expenses	633,456	638,008	679,148	771,104	859,434
7 Income Taxes - Operating Taxes	66,548	75,168	65,388	47,512	19,900
8 Other Taxes - Operating Taxes	30,837	30,471	31,073	36,053	36,987
9 Capital Costs	84,903	120,644	97,060	61,333	10,843
10 Total	\$815,744	\$864,291	\$872,669	\$916,002	\$927,164
PERCENT OF REVENUES					
11 Wages and Benefits	33.4	30.7	34.0	31.2	39.3
12 Depreciation and Amortization	18.5	17.2	16.7	15.5	16.7
13 Other Operations Expense	25.7	25.8	27.2	37.5	36.7
14 Income Taxes - Operating Taxes	8.2	8.7	7.5	5.2	2.1
15 Other Taxes - Operating Taxes	3.8	3.5	3.6	3.9	4.0
16 Capital Costs	10.4	14.0	11.1	6.7	1.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	297.80	277.52	297.16	265.44	316.18
19 Depreciation and Amortization	165.23	155.75	146.13	132.14	134.57
20 Other Operations Expense	229.27	233.40	237.90	319.06	295.94
21 Income Taxes - Operating Taxes	72.73	78.55	65.58	44.16	17.29
22 Other Taxes - Operating Taxes	33.70	31.84	31.17	33.51	32.13
23 Capital Costs	92.79	126.06	97.35	57.00	9.42
24 Total	891.52	903.13	875.29	851.30	805.53

Cassadaga Telephone Corp.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$313,942	\$313,943	\$313,942	\$312,142	\$311,989	1
Central Office Assets	1,338,721	1,332,605	1,311,927	1,280,820	1,215,141	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,365,252	1,364,955	1,322,221	1,310,279	1,260,516	4
Amortizable Assets						5
Total Plant In Service	3,083,525	3,077,113	3,013,700	2,968,851	2,853,257	6
Property Held For Future Use						7
Plant Under Construction	6,805		26,409	16,171	28,948	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	3,090,330	3,077,113	3,040,109	2,985,022	2,882,205	13
Less Acc. Prov. For Depreciation & Amort.	2,146,525	1,997,282	1,879,152	1,768,048	1,659,158	14
Net Total Utility Plant	\$943,805	\$1,079,831	\$1,160,957	\$1,216,974	\$1,223,047	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	23.03	47.56	17.37	10.13	20.32	16
Total Capitalization	\$1,869,232	\$1,799,087	\$1,668,569	\$1,513,832	\$1,402,210	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-2.40	-5.58	-5.07	-5.53	-1.08	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	3.8%	7.5%	9.7%	7.7%	2.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.1%	100.9%	117.8%	102.2%	77.8%	25
CWIP as a % of Plant	0.2%		0.9%	0.5%	1.0%	26

Current Assets	1,265,229	1,000,806	787,224	623,818	468,645
Current Liabilities	54,935	21,042	45,331	61,602	23,059
Total Capitalization	1,869,232	1,799,087	1,668,569	1,513,832	1,402,210
Long-Term Debt					-
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,869,232	1,799,087	1,668,569	1,513,832	1,402,210
Short-Term Debt					
Pretax Income	96,539	174,433	183,839	134,761	24,552
Interest Expense	(40,154)	(31,253)	(36,286)	(24,373)	(22,796)
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	70,145	130,518	154,737	111,622	27,448
Internal Cash	16,073	67,079	86,616	135,880	156,846
Cash Outflows for Construction	(16,062)	(66,463)	(73,543)	(132,978)	(201,615)
CWIP	6,805		26,409	16,171	28,948
Total Plant	3,090,330	3,077,113	3,040,109	2,985,022	2,882,205
Shares Outstanding	695	695	695	695	695
Number of Employees	6	6	8	8	8

Champlain Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$481,677)	(\$448,036)	(\$141,025)	(\$214,572)	(\$278,079)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	480,058	530,789	517,954	552,996	588,401	2
Changes in Deferred Income Taxes	(100,036)	(144,873)	(14,827)	(93,279)	(13,202)	3
Changes in Working Capital	(53,867)	302,937	(10,784)	(546,311)	(225,837)	4
Capitalized AFDC - Equity						5
Other	(28,088)	61,170	(120,838)	172,172	64,138	6
Total Non-Cash Items	298,067	750,023	371,505	85,578	413,500	7
Net Cash Provided From Operating Activities	<u>(183,610)</u>	<u>301,987</u>	<u>230,480</u>	<u>(128,994)</u>	<u>135,421</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(36,615)	(69,177)	(156,420)	(236,136)	(287,058)	9
Purchase of Other Investments						10
Sale of Other Investments			14,923	1,369	15,326	11
Other	(2)					12
Net Cash Provided From Investing Activities	<u>(36,617)</u>	<u>(69,177)</u>	<u>(141,497)</u>	<u>(234,767)</u>	<u>(271,732)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(178,924)	(170,347)	(162,116)	(154,268)	(146,728)	14
Common Stock						15
Preferred Stock				(1,500)		16
Short-Term Debt	446,500					17
Dividends Paid	(8,927)	(8,927)	(8,927)	(8,927)	(9,024)	18
Other Financing	(27,894)	(198,749)	44,164	691,087	(59,888)	19
Net Cash Provided From Financing Activities	<u>230,755</u>	<u>(378,023)</u>	<u>(126,879)</u>	<u>526,392</u>	<u>(215,640)</u>	20
Net Increase (Decrease) in Cash & Equivalents	10,528	(145,213)	(37,896)	162,631	(351,951)	21
Cash & Equivalents at Beginning of Year	775	145,988	183,884	21,253	373,204	22
Cash & Equivalents at End of Year	\$11,303	\$775	\$145,988	\$183,884	\$21,253	23

Champlain Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,348,224	\$4,568,657	\$4,750,230	\$5,063,140	\$5,271,534
2 Access Lines	4,022	4,100	4,203	4,375	4,664
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,812,316	\$2,848,464	2,848,498	\$2,723,556	\$2,948,960
4 Depreciation and Amortization	478,609	529,340	516,505	551,547	586,952
5 Other Operations Expense	1,483,755	1,485,342	1,483,124	1,710,476	1,769,767
6 Total Operation Expenses	4,774,680	4,863,146	4,848,127	4,985,579	5,305,679
7 Income Taxes - Operating Taxes	(228,673)	(188,061)	(114,294)	(65,928)	(113,156)
8 Other Taxes - Operating Taxes	199,226	208,801	225,068	235,312	250,060
9 Capital Costs	(397,009)	(315,229)	(208,671)	(91,823)	(171,049)
10 Total	\$4,348,224	\$4,568,657	\$4,750,230	\$5,063,140	\$5,271,534
PERCENT OF REVENUES					
11 Wages and Benefits	64.7	62.3	60.0	53.8	55.9
12 Depreciation and Amortization	11.0	11.6	10.9	10.9	11.1
13 Other Operations Expense	34.1	32.5	31.2	33.8	33.6
14 Income Taxes - Operating Taxes	(5.3)	(4.1)	(2.4)	(1.3)	(2.1)
15 Other Taxes - Operating Taxes	4.6	4.6	4.7	4.6	4.7
16 Capital Costs	(9.1)	(6.9)	(4.4)	(1.8)	(3.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	699.23	694.75	677.73	622.53	632.28
19 Depreciation and Amortization	119.00	129.11	122.89	126.07	125.85
20 Other Operations Expense	368.91	362.28	352.87	390.97	379.45
21 Income Taxes - Operating Taxes	(56.86)	(45.87)	(27.19)	(15.07)	(24.26)
22 Other Taxes - Operating Taxes	49.53	50.93	53.55	53.79	53.61
23 Capital Costs	(98.71)	(76.89)	(49.65)	(20.99)	(36.67)
24 Total	1,081.11	1,114.31	1,130.20	1,157.29	1,130.26

Champlain Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,454,286	\$2,550,894	\$2,581,128	\$2,682,806	\$2,694,237	1
Central Office Assets	3,028,980	3,031,328	3,101,951	3,083,661	2,960,840	2
Information Origination/Termination	26,734	26,734	26,734	26,734	25,806	3
Cable And Wire Facilities	7,362,139	7,337,871	7,291,419	7,198,004	7,120,227	4
Amortizable Assets						5
Total Plant In Service	12,872,139	12,946,827	13,001,232	12,991,205	12,801,110	6
Property Held For Future Use						7
Plant Under Construction	48,496	23,477	28,919	148,723	196,889	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,920,635	12,970,304	13,030,151	13,139,928	12,997,999	13
Less Acc. Prov. For Depreciation & Amort.	9,058,248	8,693,199	8,297,599	8,075,363	7,619,496	14
Net Total Utility Plant	\$3,862,387	\$4,277,105	\$4,732,552	\$5,064,565	\$5,378,503	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.99	1.21	1.48	3.26	1.76	16
Total Capitalization	\$2,878,062	\$3,128,984	\$3,955,043	\$4,222,946	\$4,702,044	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	13.6%	18.2%	18.7%	21.4%	22.6%	18
Preferred Stock	4.8%	4.4%	3.5%	3.3%	3.0%	19
Common Stock & Retained Earnings	60.5%	72.2%	73.7%	71.5%	71.1%	20
Short-Term Debt	21.1%	5.2%	4.1%	3.8%	3.3%	21
Pretax Coverage of Interest Expense	-14.78	-14.07	-4.09	-3.95	-5.04	22
Com. Stock Dividends as a % of Earnings	-12.2%	-13.1%	-39.9%	-26.8%	-20.9%	23
Return on Common Equity	-24.5%	-17.7%	-5.1%	-7.0%	-8.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-501.5%	436.5%	147.3%	-54.6%	47.2%	25
CWIP as a % of Plant	0.4%	0.2%	0.2%	1.1%	1.5%	26

Current Assets	3,054,351	2,759,929	2,780,328	2,536,847	2,462,113
Current Liabilities	3,074,310	2,289,013	1,883,095	777,173	1,398,276
Total Capitalization	2,878,062	3,128,984	3,955,043	4,222,946	4,702,044
Long-Term Debt	390,647	569,571	739,918	902,033	1,064,069
Preferred Stock	137,350	137,350	137,350	137,350	138,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,741,484	2,259,982	2,915,694	3,021,482	3,344,812
Short-Term Debt	608,581	162,081	162,081	162,081	154,313
Pretax Income	(670,031)	(597,523)	(206,839)	(225,336)	(324,358)
Interest Expense	45,337	42,480	50,566	57,094	64,302
Common Dividends Paid	59,888	59,888	59,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	(490,604)	(456,963)	(149,952)	(223,499)	(287,103)
Internal Cash	(183,610)	301,987	230,480	(128,994)	135,420
Cash Outflows for Construction	(36,615)	(69,177)	(156,420)	(236,136)	(287,058)
CWIP	48,496	23,477	28,919	148,723	196,889
Total Plant	12,920,635	12,970,304	13,030,151	13,139,928	12,997,999
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	31	32	33	33	33

Chautauqua & Erie Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$276,058	\$429,031	\$1,134,650	\$997,648	\$722,474	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	632,258	970,765	372,067	370,156	710,317	2
Changes in Deferred Income Taxes	(24,365)	(96,430)	164,574	202,089	176,540	3
Changes in Working Capital	(7,346)	(132,393)	927,224	(626,293)	1,472,650	4
Capitalized AFDC - Equity						5
Other	306,720	(601,968)	(2,054,535)	(793,212)	(1,042,901)	6
Total Non-Cash Items	907,267	139,974	(590,670)	(847,260)	1,316,606	7
Net Cash Provided From Operating Activities	<u>1,183,325</u>	<u>569,005</u>	<u>543,980</u>	<u>150,388</u>	<u>2,039,080</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,183,326)	(572,853)	(544,738)	(162,617)	(507,967)	9
Purchase of Other Investments						10
Sale of Other Investments					(1,574,279)	11
Other	2					12
Net Cash Provided From Investing Activities	<u>(1,183,324)</u>	<u>(572,853)</u>	<u>(544,738)</u>	<u>(162,617)</u>	<u>(2,082,246)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock					(257,500)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing					299,000	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,500</u>	20
Net Increase (Decrease) in Cash & Equivalents	1	(3,848)	(758)	(12,229)	(1,666)	21
Cash & Equivalents at Beginning of Year	599	4,447	5,205	17,435	19,101	22
Cash & Equivalents at End of Year	\$600	\$599	\$4,447	\$5,206	\$17,435	23

Chautauqua & Erie Telephone Corporation
Distribution of Telephone Revenues
For the Year Ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,942,954	\$5,433,135	\$6,387,322	\$6,341,152	\$6,513,761
2 Access Lines	6,360	7,099	7,666	8,198	8,820
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,078,617	\$1,298,468	1,364,972	\$1,545,343	\$1,596,909
4 Depreciation and Amortization	632,258	970,765	1,434,453	1,895,781	1,805,397
5 Other Operations Expense	2,877,726	2,848,905	3,088,243	2,888,258	3,096,925
6 Total Operation Expenses	4,598,601	5,118,139	5,887,668	6,329,382	6,499,231
7 Income Taxes - Operating Taxes	(79,865)	(88,286)	(29,043)	(621,743)	243,685
8 Other Taxes - Operating Taxes	448,959	418,613	463,633	549,868	458,928
9 Capital Costs	(24,741)	(15,331)	65,064	83,645	(688,083)
10 Total	\$4,942,954	\$5,433,135	\$6,387,322	\$6,341,152	\$6,513,761
PERCENT OF REVENUES					
11 Wages and Benefits	21.8	23.9	21.4	24.4	24.5
12 Depreciation and Amortization	12.8	17.9	22.5	29.9	27.7
13 Other Operations Expense	58.2	52.4	48.3	45.5	47.5
14 Income Taxes - Operating Taxes	(1.6)	(1.6)	(0.5)	(9.8)	3.7
15 Other Taxes - Operating Taxes	9.1	7.7	7.3	8.7	7.0
16 Capital Costs	(0.5)	(0.3)	1.0	1.3	(10.6)
17 Total	99.8	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	169.59	182.91	178.06	188.50	181.06
19 Depreciation and Amortization	99.41	136.75	187.12	231.25	204.69
20 Other Operations Expense	452.47	401.31	402.85	352.31	351.13
21 Income Taxes - Operating Taxes	(12.56)	(12.44)	(3.79)	(75.84)	27.63
22 Other Taxes - Operating Taxes	70.59	58.97	60.48	67.07	52.03
23 Capital Costs	(3.89)	(2.16)	8.49	10.20	(78.01)
24 Total	775.62	765.34	833.20	773.50	738.52

Chautauqua & Erie Telephone Corp.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,635,831	\$4,626,393	\$4,708,401	\$4,741,102	\$4,809,166	1
Central Office Assets	13,001,272	12,917,424	12,964,607	13,160,416	13,131,704	2
Information Origination/Termination	7,400	7,400	7,400	7,400	7,400	3
Cable And Wire Facilities	12,450,902	12,371,356	12,253,367	12,159,509	12,137,439	4
Amortizable Assets						5
Total Plant In Service	30,095,405	29,922,573	29,933,775	30,068,427	30,085,709	6
Property Held For Future Use						7
Plant Under Construction	1,135,285	233,221	135,000	118,309	7,595	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	31,230,690	30,155,794	30,068,775	30,186,736	30,093,303	13
Less Acc. Prov. For Depreciation & Amort.	22,073,901	21,550,071	21,065,138	21,355,773	21,054,799	14
Net Total Utility Plant	\$9,156,789	\$8,605,723	\$9,003,637	\$8,830,963	\$9,038,504	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.96	0.95	0.91	1.40	1.04	16
Total Capitalization	\$7,554,266	\$7,026,207	\$7,307,176	\$7,633,526	\$8,020,877	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	(1,392.67)	(116.83)	(27.86)	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	3.8%	6.1%	0.9%	-11.3%	-9.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	99.3%	99.9%	92.5%	401.4%	25
CWIP as a % of Plant	3.6%	0.8%	0.4%	0.4%	0.0%	26

Current Assets	1,423,580	1,225,105	1,942,884	2,617,171	3,141,486
Current Liabilities	1,479,847	1,294,374	2,131,543	1,875,114	3,007,165
Total Capitalization	7,554,266	7,026,207	7,307,176	7,633,526	8,020,877
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,554,266	7,026,207	7,307,176	7,633,526	8,020,877
Short-Term Debt					
Pretax Income	231,674	385,888	455,404	(538,198)	(266,552)
Interest Expense			(327)	4,607	9,566
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	277,161	433,952	69,733	(887,159)	(505,959)
Internal Cash	1,183,325	569,005	543,980	150,384	2,039,080
Cash Outflows for Construction	(1,183,326)	(572,853)	(544,738)	(162,617)	(507,967)
CWIP	1,135,285	233,221	135,000	118,309	7,595
Total Plant	31,230,690	30,155,794	30,068,775	30,186,736	30,093,303
Shares Outstanding	100	100	100	100	100
Number of Employees	15	18	50	46	59

Chazy & Westport Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$131,316	(\$36,052)	(\$446,773)	(\$400,361)	\$369,196	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	791,125	774,462	708,858	707,196	692,481	2
Changes in Deferred Income Taxes	(126,419)	(33,494)	(27,939)	128,076	129,412	3
Changes in Working Capital	231,087	(27,594)	(518,869)	(86,311)	(300,212)	4
Capitalized AFDC - Equity						5
Other	(221,161)	(258,027)	449,359	67,278	(586,605)	6
Total Non-Cash Items	674,632	455,347	611,409	816,239	(64,924)	7
Net Cash Provided From Operating Activities	<u>805,948</u>	<u>419,295</u>	<u>164,636</u>	<u>415,878</u>	<u>304,272</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(195,518)	(186,976)	(132,720)	(159,429)	(324,082)	9
Purchase of Other Investments						10
Sale of Other Investments	1,047	535	115,943	(23,821)	48,907	11
Other	6,846	15,287	26,387	38,240	20,056	12
Net Cash Provided From Investing Activities	<u>(187,625)</u>	<u>(171,154)</u>	<u>9,610</u>	<u>(145,010)</u>	<u>(255,119)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(86,172)	(140,272)	(133,464)	(164,745)	(200,540)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(72,481)	(119,029)	(35,139)	(107,092)	180,000	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(165,153)</u>	<u>(265,801)</u>	<u>(175,103)</u>	<u>(278,337)</u>	<u>(27,040)</u>	20
Net Increase (Decrease) in Cash & Equivalents	453,170	(17,660)	(857)	(7,469)	22,113	21
Cash & Equivalents at Beginning of Year	61,129	78,789	79,646	87,115	65,002	22
Cash & Equivalents at End of Year	\$514,299	\$61,129	\$78,789	\$79,646	\$87,115	23

Chazy & Westport Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,477,811	\$2,417,421	\$2,604,165	\$2,869,205	\$2,948,851
2 Access Lines	2,605	2,707	2,861	2,973	3,117
DOLLAR AMOUNTS					
3 Wages and Benefits	\$979,537	\$969,583	\$1,008,106	\$1,048,800	\$1,111,772
4 Depreciation and Amortization	744,483	724,483	664,108	662,117	651,777
5 Other Operations Expense	839,963	546,240	816,761	774,740	961,380
6 Total Operation Expenses	2,563,983	2,240,306	2,488,975	2,485,657	2,724,929
7 Income Taxes - Operating Taxes	(69,100)	20,422	(5,108)	69,386	31,177
8 Other Taxes - Operating Taxes	122,236	130,466	141,410	152,487	155,134
9 Capital Costs	(139,308)	26,227	(21,112)	161,675	37,611
10 Total	\$2,477,811	\$2,417,421	\$2,604,165	\$2,869,205	\$2,948,851
PERCENT OF REVENUES					
11 Wages and Benefits	39.5	40.1	38.7	36.6	37.7
12 Depreciation and Amortization	30.0	30.0	25.5	23.1	22.1
13 Other Operations Expense	33.9	22.6	31.4	27.0	32.6
14 Income Taxes - Operating Taxes	(2.8)	0.8	(0.2)	2.4	1.1
15 Other Taxes - Operating Taxes	4.9	5.4	5.4	5.3	5.3
16 Capital Costs	(5.6)	1.1	(0.8)	5.6	1.3
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	376.02	358.18	352.36	352.77	356.68
19 Depreciation and Amortization	285.79	267.63	232.12	222.71	209.10
20 Other Operations Expense	322.44	201.79	285.48	260.59	308.43
21 Income Taxes - Operating Taxes	(26.53)	7.54	(1.79)	23.34	10.00
22 Other Taxes - Operating Taxes	46.92	48.20	49.43	51.29	49.77
23 Capital Costs	(53.48)	9.69	(7.38)	54.38	12.07
24 Total	951.18	893.03	910.23	965.09	946.05

Chazy & Westport Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,007,388	\$2,996,545	\$2,995,192	\$3,002,089	\$3,012,483	1
Central Office Assets	5,521,648	5,671,008	5,669,095	5,672,046	5,592,834	2
Information Origination/Termination	35,127	35,127	35,127	35,127	35,127	3
Cable And Wire Facilities	6,048,877	5,998,651	5,932,583	5,890,723	5,865,118	4
Amortizable Assets	140,687	140,687	140,687	140,687	140,687	5
Total Plant In Service	14,753,727	14,842,018	14,772,684	14,740,672	14,646,249	6
Property Held For Future Use						7
Plant Under Construction	14,830	44,885	8,200	19,823	51,781	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	35,834	35,834	35,834	35,834	35,834	11
Goodwill						12
Total Telecommunications Plant	14,804,391	14,922,737	14,816,718	14,796,329	14,733,864	13
Less Acc. Prov. For Depreciation & Amort.	11,788,509	11,303,711	10,594,616	9,962,878	9,336,635	14
Net Total Utility Plant	\$3,015,882	\$3,619,026	\$4,222,102	\$4,833,451	\$5,397,229	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	21.71	7.44	3.96	3.87	3.87	16
Total Capitalization	\$5,968,918	\$6,003,446	\$6,305,602	\$6,936,318	\$7,593,350	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.1%	1.6%	2.9%	4.7%	6.0%	18
Preferred Stock	2.2%	2.2%	2.1%	1.9%	1.7%	19
Common Stock & Retained Earnings	94.6%	92.0%	88.3%	86.9%	84.4%	20
Short-Term Debt	2.1%	4.2%	6.8%	6.6%	7.8%	21
Pretax Coverage of Interest Expense	-38.49	-0.75	-14.77	-6.16	6.48	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	2.2%	-0.8%	-7.8%	-6.5%	5.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	412.2%	224.3%	124.0%	260.9%	93.9%	25
CWIP as a % of Plant	0.1%	0.3%	0.1%	0.1%	0.4%	26

Current Assets	4,084,512	4,176,949	4,594,373	3,908,917	3,595,418
Current Liabilities	188,116	561,149	1,161,402	1,009,292	928,929
Total Capitalization	5,968,918	6,003,446	6,305,602	6,936,318	7,593,350
Long-Term Debt	66,154	96,441	182,621	322,906	456,362
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,646,214	5,522,089	5,564,944	6,027,057	6,412,252
Short-Term Debt	126,550	254,916	428,037	456,355	594,736
Pretax Income	61,509	(6,404)	(418,290)	(292,156)	463,162
Interest Expense	(1,598)	8,557	28,321	47,458	71,478
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	124,816	(42,552)	(453,273)	(406,861)	362,696
Internal Cash	805,948	419,295	164,636	415,878	304,272
Cash Outflows for Construction	(195,518)	(186,976)	(132,720)	(159,429)	(324,082)
CWIP	14,830	44,885	8,200	19,823	51,781
Total Plant	14,804,391	14,922,737	14,816,718	14,796,329	14,733,864
Shares Outstanding	140	140	140	140	140
Number of Employees	15	15	17	17	17

Citizens Telephone Company of Hammond, N. Y., Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$223,354	(\$1,192)	\$126,898	\$159,574	\$157,791	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	411,686	460,912	503,498	459,608	467,715	2
Changes in Deferred Income Taxes	103,448	(68,188)	(42,051)	(275,008)	(132,428)	3
Changes in Working Capital	(119,843)	(152,870)	320,154	(127,636)	(126,017)	4
Capitalized AFDC - Equity						5
Other	(617,892)	(12,527)	(174,047)	(127,654)	(191,874)	6
Total Non-Cash Items	(222,601)	227,327	607,554	(70,691)	17,396	7
Net Cash Provided From Operating Activities	<u>753</u>	<u>226,135</u>	<u>734,453</u>	<u>88,883</u>	<u>175,187</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(2,247)	(221,046)	(458,576)	(460,165)	(277,255)	9
Purchase of Other Investments					(9,259)	10
Sale of Other Investments	11,952	5,489	46,829	5,250		11
Other	(49,957)	(45,351)	(54,218)	178,808	31,927	12
Net Cash Provided From Investing Activities	<u>(40,251)</u>	<u>(260,908)</u>	<u>(465,965)</u>	<u>(276,107)</u>	<u>(254,588)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(238,198)	(227,888)	(217,712)	177,000	(27,124)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	264,507	203,824	(105,996)	(433)	124,262	17
Dividends Paid				(4,000)	(101,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>26,309</u>	<u>(24,064)</u>	<u>(323,708)</u>	<u>172,567</u>	<u>(3,862)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(13,190)	(58,837)	(55,220)	(14,656)	(83,263)	21
Cash & Equivalents at Beginning of Year	54,659	113,496	168,716	183,372	266,635	22
Cash & Equivalents at End of Year	\$41,470	\$54,659	\$113,496	\$168,716	\$183,372	23

Citizens Telephone Company of Hammond, N.Y., Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,637,803	\$1,624,369	\$1,840,455	\$2,088,021	\$2,342,709
2 Access Lines	853	917	1,040	1,564	1,624
DOLLAR AMOUNTS					
3 Wages and Benefits	\$674,278	\$750,750	\$771,393	\$860,400	\$1,027,277
4 Depreciation and Amortization	354,232	408,809	451,396	454,800	462,908
5 Other Operations Expense	611,036	572,033	636,610	834,478	696,409
6 Total Operation Expenses	1,639,547	173,259	1,859,398	2,149,678	2,186,595
7 Income Taxes - Operating Taxes	(107,148)	(149,632)	(82,192)	(134,030)	(50,939)
8 Other Taxes - Operating Taxes	80,650	95,954	154,190	124,650	121,120
9 Capital Costs	24,754	1,504,787	(90,941)	(52,277)	85,933
10 Total	\$1,637,803	\$1,624,369	\$1,840,455	\$2,088,021	\$2,342,709
PERCENT OF REVENUES					
11 Wages and Benefits	41.2	46.2	41.9	41.2	43.8
12 Depreciation and Amortization	21.6	25.2	24.5	21.8	19.8
13 Other Operations Expense	37.3	35.2	34.6	40.0	29.7
14 Income Taxes - Operating Taxes	(6.5)	(9.2)	(4.5)	(6.4)	(2.2)
15 Other Taxes - Operating Taxes	4.9	5.9	8.4	6.0	5.2
16 Capital Costs	1.5	92.6	(4.9)	(2.5)	3.7
17 Total	100.0	195.9	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	790.48	818.70	741.72	550.13	632.56
19 Depreciation and Amortization	415.28	445.81	434.03	290.79	285.04
20 Other Operations Expense	716.34	623.81	612.13	533.55	428.82
21 Income Taxes - Operating Taxes	(125.61)	(163.18)	(79.03)	(85.70)	(31.37)
22 Other Taxes - Operating Taxes	94.55	104.64	148.26	79.70	74.58
23 Capital Costs	29.02	1,640.99	(87.44)	(33.43)	52.91
24 Total	1,920.05	3,470.78	1,769.67	1,335.05	1,442.56

Citizens Telephone Company of Hammond, N. Y., Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,940,766	\$1,995,323	\$1,983,368	\$1,977,781	\$2,083,261	1
Central Office Assets	2,765,648	2,761,768	2,711,264	2,395,508	2,079,458	2
Information Origination/Termination	107,830	107,830	107,830	107,830	107,830	3
Cable And Wire Facilities	4,542,169	4,526,384	4,490,833	4,383,283	4,282,594	4
Amortizable Assets	214	214	214	214	214	5
Total Plant In Service	9,356,629	9,391,519	9,293,509	8,864,616	8,553,358	6
Property Held For Future Use						7
Plant Under Construction	8,349	34,471	13,429	43,311	73,299	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,364,978	9,425,990	9,306,939	8,907,927	8,626,657	13
Less Acc. Prov. For Depreciation & Amort.	6,023,550	5,667,980	5,308,379	4,813,494	4,534,233	14
Net Total Utility Plant	\$3,341,428	\$3,758,010	\$3,998,560	\$4,094,433	\$4,092,423	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.73	68.79	-26.19	39.33	29.20	16
Total Capitalization	\$9,492,314	\$8,537,939	\$8,564,182	\$8,761,244	\$8,547,372	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	28.6%	34.6%	37.2%	38.8%	37.7%	18
Preferred Stock	0.2%	0.3%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	66.0%	62.5%	62.4%	59.5%	60.6%	20
Short-Term Debt	5.1%	2.6%	0.2%	1.4%	1.5%	21
Pretax Coverage of Interest Expense	1.79	0.14	1.32	1.18	1.48	22
Com. Stock Dividends as a % of Earnings					2.5%	23
Return on Common Equity	3.8%	0.0%	2.4%	3.1%	3.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	33.5%	102.3%	160.2%	19.3%	63.2%	25
CWIP as a % of Plant	0.1%	0.4%	0.1%	0.5%	0.8%	26

Current Assets	1,651,830	1,456,480	1,416,711	1,779,244	1,680,482
Current Liabilities	288,044	21,173	(54,089)	45,233	57,544
Total Capitalization	9,492,314	8,537,939	8,564,182	8,761,244	8,547,372
Long-Term Debt	2,716,140	2,954,338	3,182,227	3,399,939	3,222,938
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,266,629	5,338,563	5,340,741	5,214,096	5,176,792
Short-Term Debt	486,544	222,038	18,213	124,209	124,642
Pretax Income	290,238	22,033	234,134	217,350	355,674
Interest Expense	162,011	161,793	177,564	184,171	239,674
Common Dividends Paid					4,000
Net Income (Excl. Preferred Stock Dividends)	223,354	(1,192)	126,898	159,574	157,791
Internal Cash	753	226,135	734,453	88,883	175,187
Cash Outflows for Construction	(2,247)	(221,046)	(458,576)	(460,165)	(277,255)
CWIP	8,349	34,471	13,429	43,311	73,299
Total Plant	9,364,978	9,425,992	9,306,939	8,907,927	8,626,657
Shares Outstanding	420	420	420	420	420
Number of Employees	21	11	24	26	28

Citizens Telecommunications Co. of New York, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$28,714,224	\$32,540,890	\$37,390,680	\$51,656,868	\$57,363,014	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	39,313,359	40,400,175	39,334,183	38,865,922	44,313,834	2
Changes in Deferred Income Taxes	4,047,708	4,047,708	4,047,708	5,363,627	1,285,005	3
Changes in Working Capital	101,459,964	5,249,892	3,775,839	2,427,491	4,473,421	4
Capitalized AFDC - Equity						5
Other	(691,565)	601,690	1,803,256	(531,074)	(590,289)	6
Total Non-Cash Items	144,129,466	50,299,465	48,960,985	46,125,966	49,481,971	7
Net Cash Provided From Operating Activities	<u>172,843,690</u>	<u>82,840,355</u>	<u>86,351,665</u>	<u>97,782,834</u>	<u>106,844,986</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(10,805,846)	(13,714,699)	(17,583,549)	(17,538,747)	(20,223,711)	9
Purchase of Other Investments	(162,038,894)	180,919,372	181,528,636	59,192,667	(25,939,103)	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(172,844,740)</u>	<u>167,204,673</u>	<u>163,945,087</u>	<u>41,653,920</u>	<u>(46,162,814)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(250,000,000)	(250,000,000)	(140,000,000)	(60,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(250,000,000)</u>	<u>(250,000,000)</u>	<u>(140,000,000)</u>	<u>(60,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,050)	45,028	296,752	(563,246)	682,171	21
Cash & Equivalents at Beginning of Year	1,050	(43,783)	(340,535)	222,711	(459,460)	22
Cash & Equivalents at End of Year	(\$0)	\$1,245	(\$43,783)	(\$340,535)	\$222,711	23

Citizens Telecommunications Co. of New York, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$184,122,994	\$195,320,201	\$205,178,874	\$220,241,142	\$233,076,020
2 Access Lines	177,512	198,171	202,329	215,616	231,033
DOLLAR AMOUNTS					
3 Wages and Benefits	\$22,236,962	\$20,786,312	\$21,812,395	\$20,653,500	\$19,199,146
4 Depreciation and Amortization	41,477,939	40,400,175	39,334,183	38,865,922	44,313,834
5 Other Operations Expense	60,715,927	70,610,329	71,532,305	61,685,032	60,872,589
6 Total Operation Expenses	124,430,828	131,796,816	132,678,883	121,204,454	124,385,569
7 Income Taxes - Operating Taxes	8,374,307	10,245,354	11,713,801	21,127,099	24,166,659
8 Other Taxes - Operating Taxes	10,101,050	9,127,361	10,569,920	12,843,386	14,296,918
9 Capital Costs	41,216,809	44,150,671	50,216,270	65,066,203	70,226,875
10 Total	\$184,122,994	\$195,320,201	\$205,178,874	\$220,241,142	\$233,076,020
PERCENT OF REVENUES					
11 Wages and Benefits	12.1	10.6	10.6	9.4	8.2
12 Depreciation and Amortization	22.5	20.7	19.2	17.6	19.0
13 Other Operations Expense	33.0	36.2	34.9	28.0	26.1
14 Income Taxes - Operating Taxes	4.5	5.2	5.7	9.6	10.4
15 Other Taxes - Operating Taxes	5.5	4.7	5.2	5.8	6.1
16 Capital Costs	22.4	22.6	24.5	29.5	30.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	125.27	104.89	107.81	95.79	83.10
19 Depreciation and Amortization	233.66	203.87	194.41	180.26	191.81
20 Other Operations Expense	342.04	356.31	353.54	286.09	263.48
21 Income Taxes - Operating Taxes	47.18	51.70	57.89	97.98	104.60
22 Other Taxes - Operating Taxes	56.90	46.06	52.24	59.57	61.88
23 Capital Costs	232.19	222.79	248.19	301.77	303.97
24 Total	1,037.24	985.61	1,014.09	1,021.45	1,008.84

Notes:

(1) Citizen's expenses increased in 1997 by \$12 M (pre-tax) relating to a management buyout and payment to fully fund its OPEB expenses. Also, 1997 expenses increased due to an increase in plant specific expenses.

Citizens Telecommunications Co. of New York, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$71,134,268	\$72,224,348	\$69,942,722	\$68,934,571	\$68,366,992	1
Central Office Assets	421,460,283	416,602,900	410,300,131	402,782,446	394,893,340	2
Information Origination/Termination	16,772,747	16,580,951	16,386,214	16,173,000	15,972,113	3
Cable And Wire Facilities	511,445,650	503,186,182	494,164,717	484,857,670	474,467,502	4
Amortizable Assets	3,981,012	3,981,012	3,981,012	3,981,012	3,981,012	5
Total Plant In Service	1,024,793,960	1,012,575,393	994,774,796	976,728,699	957,680,959	6
Property Held For Future Use						7
Plant Under Construction	8,309,705	9,723,559	12,604,470	11,245,839	12,103,166	8
Tel. Acquisition	142,404,998	142,404,998	142,404,998	142,404,998	142,404,998	9
Other Plant						10
Nonoperating Plant	38,728	37,599	37,599	37,599	37,599	11
Goodwill						12
Total Telecommunications Plant	1,175,547,391	1,164,741,549	1,149,821,863	1,130,417,135	1,112,226,722	13
Less Acc. Prov. For Depreciation & Amort.	933,894,208	894,580,852	852,975,688	811,820,320	772,302,676	14
Net Total Utility Plant	\$241,653,183	\$270,160,697	\$296,846,175	\$318,596,815	\$339,924,046	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.37	1.08	1.30	1.46	1.54	16
Total Capitalization	(\$173,161,689)	(\$201,875,912)	\$15,583,195	\$228,192,518	\$316,535,650	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	138730.62	560406.43	488576.07	1549527.41	394930.81	22
Com. Stock Dividends as a % of Earnings	0.0%	768.3%	668.6%	271.0%	104.6%	23
Return on Common Equity	-15.3%	-34.9%	30.7%	19.0%	18.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1837.0%	787.2%	651.6%	704.8%	653.6%	25
CWIP as a % of Plant	0.7%	0.8%	1.1%	1.0%	1.1%	26

Notes:

(2) The return on equity calculation reflects the return on total capitalization.

Current Assets	55,407,864	71,419,078	45,930,988	48,074,730	51,807,377
Current Liabilities	151,145,140	66,214,237	35,203,457	32,873,453	33,647,809
Total Capitalization	(173,161,689)	(201,875,912)	15,583,195	228,192,518	316,535,650
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(173,161,689)	(201,875,912)	15,583,195	228,192,518	316,535,650
Short-Term Debt					
Pretax Income	43,733,440	48,755,359	56,186,248	80,575,425	88,859,433
Interest Expense	315	87	115	52	225
Common Dividends Paid		250,000,000	250,000,000	140,000,000	60,000,000
Net Income (Excl. Preferred Stock Dividends)	28,714,224	32,540,897	37,390,679	51,656,865	57,363,013
Internal Cash	198,508,217	107,963,349	114,579,920	123,612,697	132,190,921
Cash Outflows for Construction	(10,805,846)	(13,714,699)	(17,583,549)	(17,538,747)	(20,223,711)
CWIP	8,309,704	9,723,559	12,604,470	11,245,839	12,103,166
Total Plant	1,175,547,391	1,164,741,549	1,149,821,863	1,130,417,135	1,112,226,722
Shares Outstanding	200				
Number of Employees	257	272	271	277	280

Crown Point Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$51,824	\$20,154	(\$187,425)	(\$219,326)	(\$290,800)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	303,206	302,342	300,334	291,662	293,429	2
Changes in Deferred Income Taxes	(48,712)	603	2,990	(76,534)	(13,551)	3
Changes in Working Capital	(218,337)	(19,672)	(5,541)	184,558	20,447	4
Capitalized AFDC - Equity						5
Other	(74,320)	38,657	67,312	42,993	198,390	6
Total Non-Cash Items	(38,163)	321,930	365,095	442,679	498,715	7
Net Cash Provided From Operating Activities	<u>13,661</u>	<u>342,084</u>	<u>177,670</u>	<u>223,353</u>	<u>207,915</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	4,675	(37,027)	(15,349)	(106,719)	(95,118)	9
Purchase of Other Investments	(135)				(38,189)	10
Sale of Other Investments		8,165	(123)		18,635	11
Other						12
Net Cash Provided From Investing Activities	<u>4,540</u>	<u>(28,862)</u>	<u>(15,472)</u>	<u>(106,719)</u>	<u>(114,672)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(156,547)	(190,050)	(157,249)	(160,766)	(152,975)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(1,753)	(1,816)	(541)	(633)	(18,303)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(158,300)</u>	<u>(191,866)</u>	<u>(157,790)</u>	<u>(161,399)</u>	<u>(171,278)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(140,099)	121,356	4,408	(44,765)	(78,035)	21
Cash & Equivalents at Beginning of Year	223,994	102,638	98,230	142,995	221,030	22
Cash & Equivalents at End of Year	\$83,895	\$223,994	\$102,638	\$98,230	\$142,995	23

Crown Point Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,493,357	\$1,581,295	\$1,536,275	\$1,415,870	\$1,749,536
2 Access Lines	818	780	819	862	883
DOLLAR AMOUNTS					
3 Wages and Benefits	\$616,944	\$592,794	\$700,298	\$740,607	\$838,595
4 Depreciation and Amortization	302,950	301,905	299,899	291,226	292,991
5 Other Operations Expense	504,070	486,605	492,250	461,630	445,367
6 Total Operation Expenses	1,423,964	1,381,304	1,492,447	1,493,462	1,576,954
7 Income Taxes - Operating Taxes	(42,863)	2,578	3,006	(71,421)	(5,528)
8 Other Taxes - Operating Taxes	49,425	62,515	69,237	72,289	94,215
9 Capital Costs	62,831	134,898	(28,415)	(78,460)	83,895
10 Total	\$1,493,357	\$1,581,295	\$1,536,275	\$1,415,870	\$1,749,536
PERCENT OF REVENUES					
11 Wages and Benefits	41.3	37.5	45.6	52.3	47.9
12 Depreciation and Amortization	20.3	19.1	19.5	20.6	16.7
13 Other Operations Expense	33.8	30.8	32.0	32.6	25.5
14 Income Taxes - Operating Taxes	(2.9)	0.2	0.2	(5.0)	(0.3)
15 Other Taxes - Operating Taxes	3.3	4.0	4.5	5.1	5.4
16 Capital Costs	4.2	8.5	(1.8)	(5.5)	4.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	754.21	759.99	855.07	859.17	949.71
19 Depreciation and Amortization	370.35	387.06	366.18	337.85	331.81
20 Other Operations Expense	616.22	623.85	601.04	535.53	504.38
21 Income Taxes - Operating Taxes	(52.40)	3.31	3.67	(82.85)	(6.26)
22 Other Taxes - Operating Taxes	60.42	80.15	84.54	83.86	106.70
23 Capital Costs	76.81	172.95	(34.70)	(91.02)	95.01
24 Total	1,825.62	2,027.30	1,875.79	1,642.54	1,981.35

Crown Point Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,575,797	\$1,558,669	\$1,554,251	\$1,554,251	\$1,565,826	1
Central Office Assets	2,040,244	2,038,591	2,034,574	2,073,352	2,023,498	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	3,427,227	3,371,069	3,357,009	3,258,916	3,133,465	4
Amortizable Assets						5
Total Plant In Service	7,094,902	7,019,963	6,997,468	6,938,153	6,774,423	6
Property Held For Future Use						7
Plant Under Construction	14,438	89,632	78,059	114,570	150,869	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	7,109,341	7,109,595	7,075,527	7,052,723	6,925,292	13
Less Acc. Prov. For Depreciation & Amort.	5,092,298	4,790,957	4,484,663	4,193,212	3,919,591	14
Net Total Utility Plant	\$2,017,042	\$2,318,638	\$2,590,864	\$2,859,510	\$3,005,701	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.54	1.32	1.23	1.55	3.33	16
Total Capitalization	\$2,707,096	\$2,810,098	\$2,978,394	\$3,314,173	\$3,689,124	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	100.6%	102.5%	103.0%	97.3%	91.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	-0.8%	-2.8%	-3.4%	2.3%	7.9%	20
Short-Term Debt	0.3%	0.3%	0.4%	0.3%	0.3%	21
Pretax Coverage of Interest Expense	1.02	1.13	-0.11	-0.70	-0.62	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-103.9%	-22.6%	1546.1%	-119.4%	-65.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-292.2%	923.9%	1157.5%	209.3%	218.6%	25
CWIP as a % of Plant	0.2%	1.3%	1.1%	1.6%	2.2%	26

Current Assets	471,900	685,217	547,008	532,257	652,043
Current Liabilities	306,944	520,183	443,035	344,236	195,578
Total Capitalization	2,707,096	2,810,098	2,978,394	3,314,173	3,689,124
Long-Term Debt	2,722,420	2,878,967	3,069,017	3,226,266	3,387,032
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(22,250)	(77,548)	(101,117)	76,872	290,423
Short-Term Debt	6,926	8,679	10,495	11,036	11,669
Pretax Income	151,262	177,591	(18,467)	(121,336)	(114,800)
Interest Expense	148,150	156,834	165,968	174,525	183,761
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	51,824	20,154	(187,425)	(219,326)	(290,800)
Internal Cash	13,661	342,084	177,670	223,353	207,915
Cash Outflows for Construction	4,675	(37,027)	(15,349)	(106,719)	(95,118)
CWIP	14,438	89,632	78,059	114,570	150,869
Total Plant	7,109,341	7,109,596	7,075,527	7,052,723	6,925,292
Shares Outstanding	243	243	243	243	243
Number of Employees	11	9	12	12	12

Delhi Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$164,004	\$167,141	\$154,219	\$359,140	\$528,662	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	839,266	840,022	792,019	641,813	823,928	2
Changes in Deferred Income Taxes	69,400	118,077	94,001	87,494	82,806	3
Changes in Working Capital	355,186	(416,498)	(13,034)	(952,620)	990,339	4
Capitalized AFDC - Equity						5
Other	(49,867)	139,835	(146,946)	28,963	(102,497)	6
Total Non-Cash Items	1,213,985	681,436	726,040	(194,350)	1,794,576	7
Net Cash Provided From Operating Activities	<u>1,377,989</u>	<u>848,577</u>	<u>880,259</u>	<u>164,790</u>	<u>2,323,238</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(520,164)	(574,635)	(2,193,300)	(1,198,336)	(1,718,856)	9
Purchase of Other Investments	(10,505)	(10,506)	(10,506)	(10,506)	(12,578)	10
Sale of Other Investments	6,316	30,947	2,027	13,465	403,724	11
Other						12
Net Cash Provided From Investing Activities	<u>(524,353)</u>	<u>(554,194)</u>	<u>(2,201,779)</u>	<u>(1,195,377)</u>	<u>(1,327,710)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(66,183)	(203,680)	(188,950)	(175,504)	(162,848)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(138,600)	(138,600)	(138,600)	(138,600)	(138,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(204,783)</u>	<u>(342,280)</u>	<u>(327,550)</u>	<u>(314,104)</u>	<u>(301,448)</u>	20
Net Increase (Decrease) in Cash & Equivalents	648,853	(47,897)	(1,649,070)	(1,344,691)	694,080	21
Cash & Equivalents at Beginning of Year	912,245	960,142	2,609,211	3,953,902	3,259,823	22
Cash & Equivalents at End of Year	\$1,561,098	\$912,245	\$960,142	\$2,609,211	\$3,953,902	23

Delhi Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$3,635,841	\$3,870,786	\$3,573,471	\$3,660,006	\$3,771,111
2 Access Lines	3,267	3,463	3,676	3,920	4,205
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,401,809	\$1,392,350	\$1,293,280	\$1,218,220	\$1,366,365
4 Depreciation and Amortization	839,021	839,283	791,281	641,075	732,581
5 Other Operations Expense	989,110	1,052,265	1,114,292	1,029,488	1,307,155
6 Total Operation Expenses	3,229,940	3,283,898	3,198,852	2,888,782	3,406,101
7 Income Taxes - Operating Taxes	53,290	103,288	72,534	201,889	59,246
8 Other Taxes - Operating Taxes	249,718	244,549	217,647	207,138	190,287
9 Capital Costs	102,892	239,051	84,437	362,197	115,476
10 Total	\$3,635,841	\$3,870,786	\$3,573,471	\$3,660,006	\$3,771,111
PERCENT OF REVENUES					
11 Wages and Benefits	38.6	36.0	36.2	33.3	36.2
12 Depreciation and Amortization	23.1	21.7	22.1	17.5	19.4
13 Other Operations Expense	27.2	27.2	31.2	28.1	34.7
14 Income Taxes - Operating Taxes	1.5	2.7	2.0	5.5	1.6
15 Other Taxes - Operating Taxes	6.9	6.3	6.1	5.7	5.0
16 Capital Costs	2.8	6.2	2.4	9.9	3.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	429.08	402.06	351.82	310.77	324.94
19 Depreciation and Amortization	256.82	242.36	215.26	163.54	174.22
20 Other Operations Expense	302.76	303.86	303.13	262.62	310.86
21 Income Taxes - Operating Taxes	16.31	29.83	19.73	51.50	14.09
22 Other Taxes - Operating Taxes	76.44	70.62	59.21	52.84	45.25
23 Capital Costs	31.49	69.03	22.97	92.40	27.46
24 Total	1,112.90	1,117.76	972.11	933.67	896.82

Delhi Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,412,425	\$2,431,008	\$2,516,714	\$2,544,425	\$2,338,565	1
Central Office Assets	4,564,729	4,511,604	4,521,366	4,748,452	4,394,127	2
Information Origination/Termination	21,198	21,198	21,322	45,079	45,413	3
Cable And Wire Facilities	11,314,111	10,978,825	10,617,233	8,726,889	8,419,104	4
Amortizable Assets						5
Total Plant In Service	18,312,463	17,942,635	17,676,635	16,064,845	15,197,209	6
Property Held For Future Use						7
Plant Under Construction	17,148	27,256	53,080	250,925	176,798	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,329,611	17,969,891	17,729,715	16,315,770	15,374,007	13
Less Acc. Prov. For Depreciation & Amort.	10,409,129	9,629,730	8,996,691	8,833,557	8,423,174	14
Net Total Utility Plant	\$7,920,482	\$8,340,161	\$8,733,024	\$7,482,213	\$6,950,833	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	8.32	7.87	8.35	7.92	4.46	16
Total Capitalization	\$10,720,394	\$9,317,705	\$9,492,844	\$10,720,397	\$10,720,398	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.5%	1.2%	3.3%	5.2%	7.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.5%	98.8%	96.7%	94.8%	92.9%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-4.42	-8.27	-13.74	31.38	16.53	22
Com. Stock Dividends as a % of Earnings	84.5%	82.9%	89.9%	38.6%	26.2%	23
Return on Common Equity	1.8%	1.8%	1.7%	4.0%	6.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	264.9%	147.7%	40.1%	13.8%	135.2%	25
CWIP as a % of Plant	0.1%	0.2%	0.3%	1.5%	1.1%	26

Current Assets	3,175,434	2,936,859	2,625,567	4,433,094	5,545,248
Current Liabilities	381,628	372,979	314,414	559,936	1,244,168
Total Capitalization	9,276,926	9,317,705	9,492,844	9,666,175	9,621,135
Long-Term Debt	45,666	111,849	315,529	504,479	679,981
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,231,260	9,205,856	9,177,315	9,161,696	8,941,155
Short-Term Debt					
Pretax Income	190,372	254,442	225,561	580,224	633,423
Interest Expense	(43,030)	(30,777)	(16,413)	18,492	38,312
Common Dividends Paid	138,600	138,600	138,600	138,600	138,600
Net Income (Excl. Preferred Stock Dividends)	164,004	167,141	154,219	359,140	528,662
Internal Cash	1,377,989	848,577	880,260	164,790	2,323,237
Cash Outflows for Construction	(520,164)	(574,635)	(2,193,300)	(1,198,336)	(1,718,856)
CWIP	17,148	27,256	53,080	250,925	176,798
Total Plant	18,329,611	17,969,891	17,729,715	16,315,770	15,374,007
Shares Outstanding	39,600	39,600	39,600	39,600	39600
Number of Employees	24	24	23	21	22

Deposit Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$3,777	\$363,519	(\$186,931)	\$258,001	\$203,590	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	907,963	938,014	756,914	1,044,456	1,247,144	2
Changes in Deferred Income Taxes	82,387	(17,744)	129,146	(68,932)	(47,916)	3
Changes in Working Capital	(743,683)	182,325	59,117	(62,594)	(67,670)	4
Capitalized AFDC - Equity						5
Other	(308,870)	10,665	(98,332)	(76,364)	81,434	6
Total Non-Cash Items	(62,203)	1,113,260	846,845	836,566	1,212,992	7
Net Cash Provided From Operating Activities	<u>(58,426)</u>	<u>1,476,779</u>	<u>659,914</u>	<u>1,094,567</u>	<u>1,416,582</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,104,014)	(466,799)	(1,142,150)	(355,909)	(849,155)	9
Purchase of Other Investments						10
Sale of Other Investments	28,003	(13,368)	321,348	(10,758)	16,956	11
Other						12
Net Cash Provided From Investing Activities	<u>(1,076,011)</u>	<u>(480,167)</u>	<u>(820,802)</u>	<u>(366,667)</u>	<u>(832,199)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt				(200,000)		17
Dividends Paid				(14,067)	(286,000)	18
Other Financing	(262)	(6,072)	(14,846)		32,296	19
Net Cash Provided From Financing Activities	<u>(262)</u>	<u>(6,072)</u>	<u>(14,846)</u>	<u>(214,067)</u>	<u>(253,704)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,134,699)	990,540	(175,734)	513,833	330,679	21
Cash & Equivalents at Beginning of Year	2,723,499	1,732,959	1,908,693	1,394,860	1,064,181	22
Cash & Equivalents at End of Year	\$1,588,800	\$2,723,499	\$1,732,959	\$1,908,693	\$1,394,860	23

Deposit Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$5,697,955	\$5,669,309	\$5,501,696	\$5,996,248	\$6,112,484
2 Access Lines	6,316	6,579	6,953	7,287	7,779
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,271,752	\$2,045,390	\$1,965,661	\$1,251,662	\$1,118,090
4 Depreciation and Amortization	907,964	938,015	756,914	1,044,456	1,247,144
5 Other Operations Expense	2,400,942	2,497,758	2,429,404	3,168,459	3,262,300
6 Total Operation Expenses	5,580,658	5,481,163	5,151,979	5,464,577	5,627,534
7 Income Taxes - Operating Taxes	(60,803)	(38,433)	16,694	80,278	39,276
8 Other Taxes - Operating Taxes	177,352	194,492	195,720	195,708	260,476
9 Capital Costs	748	32,087	137,303	255,685	185,198
10 Total	\$5,697,955	\$5,669,309	\$5,501,696	\$5,996,248	\$6,112,484
PERCENT OF REVENUES					
11 Wages and Benefits	39.9	36.1	35.7	20.9	18.3
12 Depreciation and Amortization	15.9	16.5	13.8	17.4	20.4
13 Other Operations Expense	42.1	44.1	44.2	52.8	53.4
14 Income Taxes - Operating Taxes	(1.1)	(0.7)	0.3	1.3	0.6
15 Other Taxes - Operating Taxes	3.1	3.4	3.6	3.3	4.3
16 Capital Costs	0.0	0.6	2.5	4.3	3.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	359.68	310.90	282.71	171.77	143.73
19 Depreciation and Amortization	143.76	142.58	108.86	143.33	160.32
20 Other Operations Expense	380.14	379.66	349.40	434.81	419.37
21 Income Taxes - Operating Taxes	(9.63)	(5.84)	2.40	11.02	5.05
22 Other Taxes - Operating Taxes	28.08	29.56	28.15	26.86	33.48
23 Capital Costs	0.12	4.88	19.75	35.09	23.81
24 Total	902.15	861.73	791.27	822.87	785.77

Deposit Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,496,559	\$1,433,764	\$1,437,112	\$1,715,528	\$1,897,849	1
Central Office Assets	9,465,794	9,441,920	10,413,815	10,585,487	10,348,358	2
Information Origination/Termination	32,949	32,949	32,949	1,854	7,446	3
Cable And Wire Facilities	11,596,721	11,502,293	11,409,017	11,147,126	11,073,434	4
Amortizable Assets	252,698	125,431	218,308	238,960	283,099	5
Total Plant In Service	22,844,721	22,536,357	23,511,201	23,688,955	23,610,186	6
Property Held For Future Use						7
Plant Under Construction	533,699	150,422	94,450	56,139	204,148	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,378,420	22,686,779	23,605,651	23,745,094	23,814,334	13
Less Acc. Prov. For Depreciation & Amort.	16,194,160	15,670,568	16,131,593	16,334,925	15,726,378	14
Net Total Utility Plant	\$7,184,260	\$7,016,211	\$7,474,058	\$7,410,168	\$8,087,956	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.89	2.96	2.80	2.75	2.57	16
Total Capitalization	\$7,722,150	\$7,741,006	\$7,417,031	\$7,619,784	\$7,490,353	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.1%	0.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	99.9%	99.7%	99.5%	20
Short-Term Debt	0.0%	0.0%	0.1%	0.2%	0.2%	21
Pretax Coverage of Interest Expense	-272.61	1425.73	-472.17	214.90	130.47	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	77.5%	140.5%	23
Return on Common Equity	0.0%	4.8%	-2.5%	3.4%	2.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-5.3%	316.4%	57.8%	307.5%	166.8%	25
CWIP as a % of Plant	2.3%	0.7%	0.4%	0.2%	0.9%	26

Current Assets	3,632,017	3,912,743	2,936,334	3,366,245	2,588,763
Current Liabilities	1,258,658	1,322,385	1,050,522	1,224,118	1,006,183
Total Capitalization	7,722,150	7,741,006	7,417,031	7,619,784	7,490,353
Long-Term Debt			262	6,334	17,772
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,722,150	7,740,744	7,410,697	7,598,604	7,455,106
Short-Term Debt		262	6,072	14,846	17,475
Pretax Income	(54,521)	500,430	(343,742)	340,185	255,717
Interest Expense	200	351	728	1,583	1,960
Common Dividends Paid				200,000	286,000
Net Income (Excl. Preferred Stock Dividends)	3,777	363,519	(186,931)	258,001	203,590
Internal Cash	(58,426)	1,476,779	659,915	1,094,567	1,416,582
Cash Outflows for Construction	(1,104,014)	(466,799)	(1,142,150)	(355,909)	(849,155)
CWIP	533,699	150,422	94,450	56,139	204,148
Total Plant	23,378,420	22,686,779	23,605,651	23,745,094	23,814,334
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	9	9	9	18	17

Dunkirk & Fredonia Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$272,390)	(\$362,460)	(\$116,100)	\$1,329	\$460,618	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	689,100	701,377	669,988	709,013	775,534	2
Changes in Deferred Income Taxes	(87,930)	76,942	70,863	40,162	661,437	3
Changes in Working Capital	443,493	676,756	(360,742)	(107,411)	111,297	4
Capitalized AFDC - Equity						5
Other	(381,803)	(441,752)	(508,339)	(834,865)	(2,250,493)	6
Total Non-Cash Items	662,860	1,013,323	(128,230)	(193,101)	(702,225)	7
Net Cash Provided From Operating Activities	<u>390,470</u>	<u>650,863</u>	<u>(244,330)</u>	<u>(191,772)</u>	<u>(241,607)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(250,818)	(590,174)	(594,898)	(324,924)	(512,632)	9
Purchase of Other Investments	(75,000)	(1,645,000)	725,000	515,000	280,000	10
Sale of Other Investments	35,322	61,594	(1,475)	9,907	64,418	11
Other		1,580,336				12
Net Cash Provided From Investing Activities	<u>(290,496)</u>	<u>(593,244)</u>	<u>128,627</u>	<u>199,983</u>	<u>(168,214)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(87,323)	(42,994)	91,997	(30,083)	1,959	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(87,323)</u>	<u>(42,994)</u>	<u>91,997</u>	<u>(30,083)</u>	<u>1,959</u>	20
Net Increase (Decrease) in Cash & Equivalents	12,651	14,625	(23,706)	(21,872)	(407,862)	21
Cash & Equivalents at Beginning of Year	122,156	107,531	131,237	153,109	560,971	22
Cash & Equivalents at End of Year	\$134,807	\$122,156	\$107,531	\$131,237	\$153,109	23

Dunkirk & Fredonia Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,826,245	\$5,297,263	\$5,195,518	\$5,684,169	\$5,829,455
2 Access Lines	7,602	7,850	8,100	8,409	8,744
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,323,778	\$2,228,922	\$2,303,213	\$2,384,220	\$2,827,581
4 Depreciation and Amortization	689,100	701,377	669,988	709,013	775,534
5 Other Operations Expense	2,171,499	2,528,490	2,365,596	2,548,233	3,245,331
6 Total Operation Expenses	5,184,377	5,458,789	5,338,797	5,641,466	6,848,446
7 Income Taxes - Operating Taxes	(254,360)	(218,979)	(232,924)	(165,899)	(514,839)
8 Other Taxes - Operating Taxes	311,740	315,063	298,608	333,532	345,166
9 Capital Costs	(415,512)	(257,610)	(208,963)	(124,930)	(849,318)
10 Total	\$4,826,245	\$5,297,263	\$5,195,518	\$5,684,169	\$5,829,455
PERCENT OF REVENUES					
11 Wages and Benefits	48.1	42.1	44.3	41.9	48.5
12 Depreciation and Amortization	14.3	13.2	12.9	12.5	13.3
13 Other Operations Expense	45.0	47.7	45.5	44.8	55.7
14 Income Taxes - Operating Taxes	(5.3)	(4.1)	(4.5)	(2.9)	(8.8)
15 Other Taxes - Operating Taxes	6.5	5.9	5.7	5.9	5.9
16 Capital Costs	(8.6)	(4.9)	(4.0)	(2.2)	(14.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	305.68	283.94	284.35	283.53	323.37
19 Depreciation and Amortization	90.65	89.35	82.71	84.32	88.69
20 Other Operations Expense	285.65	322.10	292.05	303.04	371.15
21 Income Taxes - Operating Taxes	(33.46)	(27.90)	(28.76)	(19.73)	(58.88)
22 Other Taxes - Operating Taxes	41.01	40.14	36.87	39.66	39.47
23 Capital Costs	(54.66)	(32.82)	(25.80)	(14.86)	(97.13)
24 Total	634.87	674.81	641.42	675.96	666.68

Dunkirk & Fredonia Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,686,025	\$4,692,234	\$4,841,611	\$4,768,296	\$4,697,680	1
Central Office Assets	6,441,019	7,820,470	7,537,220	7,434,031	7,268,845	2
Information Origination/Termination	438,557	438,557	438,557	438,557	438,557	3
Cable And Wire Facilities	5,621,886	5,627,453	5,523,098	5,581,694	5,608,279	4
Amortizable Assets	123,862	103,127	103,127	103,127	103,127	5
Total Plant In Service	17,311,349	18,681,841	18,443,613	18,325,705	18,116,488	6
Property Held For Future Use						7
Plant Under Construction	83,613	78,636	183,580	46,320	49,698	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	17,394,962	18,760,477	18,627,193	18,372,025	18,166,186	13
Less Acc. Prov. For Depreciation & Amort.	14,490,084	15,381,995	15,075,916	14,747,133	14,147,299	14
Net Total Utility Plant	\$2,904,878	\$3,378,482	\$3,551,277	\$3,624,892	\$4,018,887	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.43	0.51	0.76	0.79	0.81	16
Total Capitalization	\$6,329,457	\$6,764,170	\$8,814,624	\$8,113,727	\$7,627,481	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.2%	1.3%	1.6%	1.0%	1.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	73.3%	72.6%	59.8%	66.4%	70.6%	20
Short-Term Debt	26.5%	26.1%	38.5%	32.6%	27.9%	21
Pretax Coverage of Interest Expense	-6.03	-1.73	-0.62	-1.03	-40.25	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-5.2%	-6.4%	-1.1%	-2.3%	-13.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	155.7%	110.3%	-41.1%	-59.0%	-521.9%	25
CWIP as a % of Plant	0.5%	0.4%	1.0%	0.3%	0.3%	26

Current Assets	1,388,362	1,565,441	2,884,821	2,323,338	2,370,346
Current Liabilities	3,219,320	3,077,776	3,807,417	2,945,067	2,942,514
Total Capitalization	6,329,457	6,764,170	8,814,624	8,113,727	7,627,481
Long-Term Debt	15,621	88,475	144,429	81,964	115,345
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,637,496	4,909,886	5,272,346	5,388,446	5,387,117
Short-Term Debt	1,676,340	1,765,809	3,397,849	2,643,317	2,125,019
Pretax Income	(432,505)	(204,176)	(111,099)	(146,170)	(1,199,366)
Interest Expense	71,725	117,691	179,442	141,642	29,800
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(249,870)	(325,319)	(58,017)	(121,913)	(714,327)
Internal Cash	390,470	650,863	(244,331)	(191,772)	(2,675,367)
Cash Outflows for Construction	(250,818)	(590,174)	(594,898)	(324,924)	(512,632)
CWIP	83,613	78,636	183,580	46,320	49,698
Total Plant	17,394,962	18,760,477	18,627,193	18,372,025	18,166,186
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	79	82	70	57	61

Edwards Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$182,651)	\$81,410	(\$214,019)	(\$11,643)	\$491,716	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	584,563	582,860	502,669	565,630	568,644	2
Changes in Deferred Income Taxes	(17,477)	(46,768)	(5,724)	(54,994)	275,776	3
Changes in Working Capital	(17,153)	45,013	53,250	138,032	(110,428)	4
Capitalized AFDC - Equity						5
Other	12,144	58,387	39,688	97,460	(650,916)	6
Total Non-Cash Items	562,077	639,492	589,883	746,128	83,076	7
Net Cash Provided From Operating Activities	<u>379,426</u>	<u>720,902</u>	<u>375,864</u>	<u>734,485</u>	<u>574,792</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(262,518)	(223,670)	(277,340)	(292,075)	(308,597)	9
Purchase of Other Investments						10
Sale of Other Investments	(7,105)	(12,797)	70,034	(2,520)	(36,021)	11
Other						12
Net Cash Provided From Investing Activities	<u>(269,623)</u>	<u>(236,467)</u>	<u>(207,306)</u>	<u>(294,595)</u>	<u>(344,618)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(768,000)	(167,000)		(257,000)	18
Other Financing		(1,867)	(3,733)	(11,503)	24,996	19
Net Cash Provided From Financing Activities		<u>(769,867)</u>	<u>(170,733)</u>	<u>(11,503)</u>	<u>(232,004)</u>	20
Net Increase (Decrease) in Cash & Equivalents	109,803	(285,432)	(2,175)	428,387	(1,830)	21
Cash & Equivalents at Beginning of Year	1,711,930	1,997,362	1,999,537	1,571,150	1,572,980	22
Cash & Equivalents at End of Year	\$1,821,733	\$1,711,930	\$1,997,362	\$1,999,537	\$1,571,150	23

**Edwards Telephone Company
Distribution of Telephone Revenues
Years ended December 31,**

	2012	2011	2010	2009	2008
1 Revenues	\$2,140,089	\$2,150,019	\$2,173,686	\$2,257,915	\$2,315,357
2 Access Lines	1,714	1,765	1,807	1,961	2,139
DOLLAR AMOUNTS					
3 Wages and Benefits	\$600,598	\$524,163	\$527,322	\$363,889	\$377,178
4 Depreciation and Amortization	584,563	582,860	502,669	565,631	568,645
5 Other Operations Expense	1,029,726	971,651	986,014	1,073,969	1,053,418
6 Total Operation Expenses	2,214,887	2,078,674	2,016,005	2,003,489	1,999,241
7 Income Taxes - Operating Taxes	(99,997)	(56,533)	(30,196)	(11,162)	24,398
8 Other Taxes - Operating Taxes	145,019	168,313	167,758	174,037	194,684
9 Capital Costs	(119,820)	(40,435)	20,119	91,551	97,034
10 Total	\$2,140,089	\$2,150,019	\$2,173,686	\$2,257,915	\$2,315,357
PERCENT OF REVENUES					
11 Wages and Benefits	28.1	24.4	24.3	16.1	16.3
12 Depreciation and Amortization	27.3	27.1	23.1	25.1	24.6
13 Other Operations Expense	48.1	45.2	45.4	47.6	45.5
14 Income Taxes - Operating Taxes	(4.7)	(2.6)	(1.4)	(0.5)	1.1
15 Other Taxes - Operating Taxes	6.8	7.8	7.7	7.7	8.4
16 Capital Costs	(5.6)	(1.9)	0.9	4.1	4.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	350.41	296.98	291.82	185.56	176.33
19 Depreciation and Amortization	341.05	330.23	278.18	288.44	265.85
20 Other Operations Expense	600.77	550.51	545.66	547.66	492.48
21 Income Taxes - Operating Taxes	(58.34)	(32.03)	(16.71)	(5.69)	11.41
22 Other Taxes - Operating Taxes	84.61	95.36	92.84	88.75	91.02
23 Capital Costs	(69.91)	(22.91)	11.13	46.69	45.36
24 Total	1,248.59	1,218.14	1,202.93	1,151.41	1,082.45

Edwards Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$822,441	\$847,838	\$824,218	\$830,136	\$910,986	1
Central Office Assets	3,234,985	3,154,620	3,094,225	2,974,234	2,758,905	2
Information Origination/Termination	22,362	22,362	22,362		3,040	3
Cable And Wire Facilities	7,082,387	6,994,983	6,918,543	6,811,823	6,760,975	4
Amortizable Assets	66,601	31,880	52,604	70,791	101,930	5
Total Plant In Service	11,228,776	11,051,683	10,911,952	10,686,984	10,535,836	6
Property Held For Future Use						7
Plant Under Construction	18,768	45,632	10,991	23,303	34,416	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,247,544	11,097,315	10,922,943	10,710,287	10,570,252	13
Less Acc. Prov. For Depreciation & Amort.	9,378,473	8,913,303	8,392,538	7,884,519	7,473,450	14
Net Total Utility Plant	\$1,869,071	\$2,184,012	\$2,530,405	\$2,825,768	\$3,096,802	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.03	5.99	7.89	6.75	8.74	16
Total Capitalization	\$1,415,449	\$1,597,503	\$2,291,756	\$2,677,380	\$2,682,863	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				0.1%	0.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	99.9%	99.8%	99.4%	20
Short-Term Debt			0.1%	0.1%	0.4%	21
Pretax Coverage of Interest Expense	(3.22)	2.98	(3.29)	0.85	15.83	22
Com. Stock Dividends as a % of Earnings		-943.4%	-78.0%		52.3%	23
Return on Common Equity	-12.1%	-4.2%	-8.6%	-0.4%	19.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	144.5%	322.3%	135.5%	251.5%	186.3%	25
CWIP as a % of Plant	0.2%	0.4%	0.1%	0.2%	0.3%	26

Current Assets	2,145,511	2,034,149	2,346,559	2,467,255	2,041,908
Current Liabilities	305,000	339,697	297,563	365,578	233,722
Total Capitalization	1,415,449	1,597,503	2,291,756	2,677,380	2,682,863
Long-Term Debt				1,867	5,601
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,415,449	1,597,503	2,289,889	2,671,780	2,665,760
Short-Term Debt			1,867	3,733	11,502
Pretax Income	(214,157)	188,918	(252,418)	96,829	838,737
Interest Expense	66,487	63,364	76,633	114,390	52,990
Common Dividends Paid		768,000	167,000		257,000
Net Income (Excl. Preferred Stock Dividends)	(182,651)	(81,410)	(214,019)	(11,643)	491,716
Internal Cash	379,426	720,902	375,864	734,485	574,792
Cash Outflows for Construction	(262,518)	(223,670)	(277,340)	(292,075)	(308,597)
CWIP	18,768	45,632	10,991	23,303	34,416
Total Plant	11,247,544	11,097,315	10,922,943	10,710,287	10,570,252
Shares Outstanding	676	676	676	676	676
Number of Employees	3	3	3	5	5

Empire Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$396,539	\$750,189	\$583,901	(\$318,106)	(\$248,235)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,146,120	1,143,796	1,244,591	1,216,993	1,184,379	2
Changes in Deferred Income Taxes	62,814	172,872	51,466	79,623	154,964	3
Changes in Working Capital	(374,884)	362,898	477,181	(96,549)	(886,315)	4
Capitalized AFDC - Equity						5
Other	(696,976)	(1,215,638)	(935,566)	228,730	247,398	6
Total Non-Cash Items	137,074	463,928	837,672	1,428,797	700,426	7
Net Cash Provided From Operating Activities	<u>533,613</u>	<u>1,214,117</u>	<u>1,421,573</u>	<u>1,110,691</u>	<u>452,191</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(989,911)	(570,237)	(830,756)	(889,559)	(1,376,048)	9
Purchase of Other Investments	(138,475)	(1,179,247)	(1,200,164)			10
Sale of Other Investments	102,709	1,086,376	989,704	20,758	(35,036)	11
Other	(31,978)	(31,978)	(31,978)			12
Net Cash Provided From Investing Activities	<u>(1,057,655)</u>	<u>(695,086)</u>	<u>(1,073,194)</u>	<u>(868,801)</u>	<u>(1,411,084)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(126,198)	(30,741)	(28,880)	(118,315)	(149,229)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(126,198)</u>	<u>(30,741)</u>	<u>(28,880)</u>	<u>(118,315)</u>	<u>(149,229)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(650,240)	488,290	319,499	123,575	(1,108,122)	21
Cash & Equivalents at Beginning of Year	1,486,935	998,645	679,146	555,571	1,663,693	22
Cash & Equivalents at End of Year	\$836,695	\$1,486,935	\$998,645	\$679,146	\$555,571	23

Empire Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,305,355	\$4,846,471	\$4,456,310	\$4,746,544	\$5,003,303
2 Access Lines	4,763	5,081	5,400	5,725	6,033
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,698,155	\$1,967,131	\$1,892,763	\$1,801,623	\$1,955,602
4 Depreciation and Amortization	1,146,120	1,143,797	1,244,591	1,209,136	1,176,522
5 Other Operations Expense	1,204,806	1,504,398	1,317,031	1,473,699	1,767,455
6 Total Operation Expenses	4,049,081	4,615,326	4,454,385	4,484,458	4,899,579
7 Income Taxes - Operating Taxes	89,220	46,420	(105,757)	(63,602)	(106,888)
8 Other Taxes - Operating Taxes	185,524	261,271	295,208	300,975	282,112
9 Capital Costs	(18,470)	(76,546)	(187,526)	24,713	(71,500)
10 Total	\$4,305,355	\$4,846,471	\$4,456,310	\$4,746,544	\$5,003,303
PERCENT OF REVENUES					
11 Wages and Benefits	39.4	40.6	42.5	38.0	39.1
12 Depreciation and Amortization	26.6	23.6	27.9	25.5	23.5
13 Other Operations Expense	28.0	31.0	29.6	31.0	35.3
14 Income Taxes - Operating Taxes	2.1	1.0	(2.4)	(1.3)	(2.1)
15 Other Taxes - Operating Taxes	4.3	5.4	6.6	6.3	5.6
16 Capital Costs	(0.4)	(1.6)	(4.2)	0.5	(1.4)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	356.53	387.15	350.51	314.69	324.15
19 Depreciation and Amortization	240.63	225.11	230.48	211.20	195.01
20 Other Operations Expense	252.95	296.08	243.89	257.41	292.96
21 Income Taxes - Operating Taxes	18.73	9.14	(19.58)	(11.11)	(17.72)
22 Other Taxes - Operating Taxes	38.95	51.42	54.67	52.57	46.76
23 Capital Costs	(3.88)	(15.07)	(34.73)	4.32	(11.85)
24 Total	903.92	953.84	825.24	829.09	829.32

Empire Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$6,334,461	\$6,481,945	\$6,513,732	\$6,531,408	\$6,532,569	1
Central Office Assets	9,879,607	9,737,634	9,509,907	9,349,198	8,926,779	2
Information Origination/Termination	116,606	116,255	107,225	101,922	100,497	3
Cable And Wire Facilities	16,677,376	16,299,400	16,051,903	15,614,536	15,129,050	4
Amortizable Assets	264	264	264	264	264	5
Total Plant In Service	33,008,314	32,635,498	32,183,031	31,597,328	30,689,159	6
Property Held For Future Use						7
Plant Under Construction	287,362	160,693	352,062	285,137	567,692	8
Tel. Acquisition	142,838	142,838	142,838	417,821	142,838	9
Other Plant					274,983	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	33,438,514	32,939,029	32,677,931	32,300,286	31,674,672	13
Less Acc. Prov. For Depreciation & Amort.	21,285,144	20,567,904	19,704,497	18,897,880	17,927,835	14
Net Total Utility Plant	\$12,153,370	\$12,371,125	\$12,973,434	\$13,402,406	\$13,746,837	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-630.32	9.71	-34.11	-7.08	7.71	16
Total Capitalization	\$22,919,621	\$22,266,528	\$21,423,870	\$21,088,011	\$21,308,442	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	1.5%	1.0%	0.8%	0.9%	1.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.5%	99.0%	99.2%	99.1%	98.6%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	79.42	49.90	23.71	-6.51	-4.87	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.8%	3.5%	2.8%	-1.5%	-1.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	53.9%	212.9%	171.1%	124.9%	32.9%	25
CWIP as a % of Plant	0.9%	0.5%	1.1%	0.9%	1.8%	26

Current Assets	2,615,811	3,335,617	2,793,679	2,782,278	3,278,131
Current Liabilities	(4,150)	343,422	(81,893)	(392,767)	424,934
Total Capitalization	22,919,621	22,266,528	21,423,870	21,088,011	21,308,442
Long-Term Debt	338,074	223,717	172,691	185,819	304,133
Preferred Stock					-
Common Stock and Retained Earnings (Excl. Preferred Stock)	22,581,547	22,042,811	21,251,179	20,902,192	21,004,309
Short-Term Debt					-
Pretax Income	371,993	1,003,262	686,007	(416,760)	(345,958)
Interest Expense	4,684	20,104	28,930	64,044	71,008
Common Dividends Paid					-
Net Income (Excl. Preferred Stock Dividends)	396,539	750,189	583,901	(318,106)	(248,235)
Internal Cash	533,613	1,214,117	1,421,573	1,110,691	452,191
Cash Outflows for Construction	(989,911)	(570,237)	(830,756)	(889,559)	(1,376,048)
CWIP	287,362	160,693	352,062	285,137	567,692
Total Plant	33,438,514	32,939,029	32,677,931	32,300,286	31,674,672
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	43	43	57	55	55

Fishers Island Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$33,849	(\$46,050)	(\$31,998)	(\$7,541)	\$18,677	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	99,393	123,647	124,197	125,686	123,775	2
Changes in Deferred Income Taxes	5,947	(18,032)	13,705	(2,216)	(4,734)	3
Changes in Working Capital	(98,984)	33,455	(7,583)	(9,507)	(33,659)	4
Capitalized AFDC - Equity						5
Other	105,356	63,886	46,170	20,351	8,601	6
Total Non-Cash Items	111,712	202,956	176,489	134,314	93,983	7
Net Cash Provided From Operating Activities	<u>145,561</u>	<u>156,906</u>	<u>144,491</u>	<u>126,773</u>	<u>112,660</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(35,702)	(32,192)	(53,185)	(61,478)	(48,189)	9
Purchase of Other Investments	80,000	12,908	(26,446)	33,038	20,170	10
Sale of Other Investments					11,500	11
Other						12
Net Cash Provided From Investing Activities	<u>44,298</u>	<u>(19,284)</u>	<u>(79,631)</u>	<u>(28,440)</u>	<u>(16,519)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(40,549)	(33,784)	(31,405)	(29,505)	(45,576)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(167,074)	(9,645)	(13,378)	(45,349)	3,698	19
Net Cash Provided From Financing Activities	<u>(207,623)</u>	<u>(43,429)</u>	<u>(44,783)</u>	<u>(74,854)</u>	<u>(41,878)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(17,764)	94,193	20,077	23,479	54,263	21
Cash & Equivalents at Beginning of Year	239,986	145,793	125,716	102,237	47,974	22
Cash & Equivalents at End of Year	\$222,222	\$239,986	\$145,793	\$125,716	\$102,237	23

Fishers Island Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,219,273	\$1,359,577	\$1,481,595	\$1,523,616	\$1,461,036
2 Access Lines	932	944	954	969	992
DOLLAR AMOUNTS					
3 Wages and Benefits	\$372,527	\$456,326	\$435,021	\$418,137	\$455,340
4 Depreciation and Amortization	99,393	123,647	124,197	125,686	123,775
5 Other Operations Expense	657,267	784,385	880,042	899,771	806,254
6 Total Operation Expenses	1,129,187	1,364,358	1,439,260	1,443,594	1,385,369
7 Income Taxes - Operating Taxes	51,407	70,212	68,435	57,988	51,115
8 Other Taxes - Operating Taxes					
9 Capital Costs	38,679	(74,993)	(26,100)	22,034	24,552
10 Total	\$1,219,273	\$1,359,577	\$1,481,595	\$1,523,616	\$1,461,036
PERCENT OF REVENUES					
11 Wages and Benefits	30.6	33.6	29.4	27.4	31.2
12 Depreciation and Amortization	8.2	9.1	8.4	8.2	8.5
13 Other Operations Expense	53.9	57.7	59.4	59.1	55.2
14 Income Taxes - Operating Taxes	4.2	5.2	4.6	3.8	3.5
15 Other Taxes - Operating Taxes					
16 Capital Costs	3.2	(5.5)	(1.8)	1.4	1.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	399.71	483.40	456.00	431.51	459.01
19 Depreciation and Amortization	106.64	130.98	130.19	129.71	124.77
20 Other Operations Expense	705.22	830.92	922.48	928.56	812.76
21 Income Taxes - Operating Taxes	55.16	74.38	71.73	59.84	51.53
22 Other Taxes - Operating Taxes					
23 Capital Costs	41.50	(79.44)	(27.36)	22.74	24.75
24 Total	1,308.23	1,440.23	1,553.03	1,572.36	1,472.82

Fishers Island Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$254,029	\$254,029	\$259,436	\$259,436	\$259,436	1
Central Office Assets	1,134,624	1,098,924	1,087,788	1,034,758	972,416	2
Information Origination/Termination						3
Cable And Wire Facilities	1,113,083	1,113,083	1,107,875	1,107,720	1,105,132	4
Amortizable Assets	43,175	43,175	43,175	43,175	43,175	5
Total Plant In Service	2,544,911	2,509,211	2,498,274	2,445,089	2,380,159	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	2,544,911	2,509,211	2,498,274	2,445,089	2,380,159	13
Less Acc. Prov. For Depreciation & Amort.	1,723,490	1,642,407	1,556,090	1,451,918	1,345,351	14
Net Total Utility Plant	\$821,421	\$866,804	\$942,184	\$993,171	\$1,034,808	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.41	5.54	4.80	3.70	2.72	16
Total Capitalization	\$1,548,993	\$1,543,414	\$1,599,873	\$1,652,921	\$1,679,439	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt	1.2%	3.0%	3.6%	4.7%	5.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.8%	97.0%	96.4%	95.3%	94.2%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	6.61	-6.37	-0.86	0.32	1.79	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	2.2%	-5.4%	-2.1%	-0.5%	1.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	407.7%	375.4%	271.7%	206.2%	233.8%	25
CWIP as a % of Plant						26

Current Assets	385,256	412,020	375,724	361,028	315,555
Current Liabilities	71,209	74,385	78,325	97,670	116,188
Total Capitalization	1,548,993	1,543,414	1,599,873	1,652,921	1,679,439
Long-Term Debt	18,569	46,840	57,249	78,299	97,276
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,530,424	1,496,574	1,542,624	1,574,622	1,582,163
Short-Term Debt					
Pretax Income	46,884	(55,388)	(8,440)	4,537	31,509
Interest Expense	7,088	8,694	9,853	14,294	17,566
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	33,849	(82,114)	(31,998)	(7,541)	18,677
Internal Cash	145,561	120,842	144,491	126,773	112,660
Cash Outflows for Construction	(35,702)	(32,192)	(53,185)	(61,478)	(48,189)
CWIP					
Total Plant	2,544,913	2,509,211	2,498,274	2,445,089	2,380,159
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees		5	5	5	5

Frontier Communications of AuSable Valley
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$944,084	\$946,958	\$865,786	\$1,064,849	\$2,941,653	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	793,103	914,375	\$968,427	948,489	928,253	2
Changes in Deferred Income Taxes	(183,012)	(183,012)	(183,012)	(16,724)	684,857	3
Changes in Working Capital	1,178,763	411,805	150,974	893,293	(1,123,730)	4
Capitalized AFDC - Equity						5
Other	(137,718)	(219,541)	(80,311)	58,204	(2,029,864)	6
Total Non-Cash Items	1,651,136	923,627	856,078	1,883,262	(1,540,485)	7
Net Cash Provided From Operating Activities	<u>2,595,220</u>	<u>1,870,585</u>	<u>1,721,864</u>	<u>2,948,112</u>	<u>1,401,168</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(280,342)	(195,570)	(288,477)	(368,353)	(266,181)	9
Purchase of Other Investments	(2,314,879)	474,324	598,042	(2,512,536)	918,936	10
Sale of Other Investments						11
Other		(147,984)	(30,192)	12,792	(147,095)	12
Net Cash Provided From Investing Activities	<u>(2,595,221)</u>	<u>130,770</u>	<u>279,373</u>	<u>(2,868,097)</u>	<u>505,660</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(2,000,000)	(2,000,000)		(2,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(2,000,000)</u>	<u>(2,000,000)</u>		<u>(2,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	1,355	1,237	80,014	(93,173)	21
Cash & Equivalents at Beginning of Year	0	(1,355)	(2,592)	(82,606)	10,567	22
Cash & Equivalents at End of Year	(\$0)	\$0	(\$1,355)	(\$2,592)	(\$82,606)	23

Frontier Communications of Ausable Valley
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,793,231	\$5,029,819	\$5,086,576	\$5,146,466	\$5,502,318
2 Access Lines	4,752	5,238	5,375	5,573	5,860
DOLLAR AMOUNTS					
3 Wages and Benefits	\$415,815	\$392,273	\$553,994	\$650,783	\$612,475
4 Depreciation and Amortization	888,346	914,376	968,428	948,490	928,253
5 Other Operations Expense	1,817,858	2,185,302	2,062,009	1,795,483	1,753,869
6 Total Operation Expenses	3,122,020	3,491,951	3,584,431	3,394,756	3,294,596
7 Income Taxes - Operating Taxes	308,924	298,092	224,332	506,402	662,498
8 Other Taxes - Operating Taxes	207,536	117,468	196,948	306,190	314,869
9 Capital Costs	1,154,751	1,122,308	1,080,865	939,118	1,230,355
10 Total	\$4,793,231	\$5,029,819	\$5,086,576	\$5,146,466	\$5,502,318
PERCENT OF REVENUES					
11 Wages and Benefits	8.7	7.8	10.9	12.6	11.1
12 Depreciation and Amortization	18.5	18.2	19.0	18.4	16.9
13 Other Operations Expense	37.9	43.4	40.5	34.9	31.9
14 Income Taxes - Operating Taxes	6.4	5.9	4.4	9.8	12.0
15 Other Taxes - Operating Taxes	4.3	2.3	3.9	5.9	5.7
16 Capital Costs	24.1	22.3	21.2	18.2	22.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	87.50	74.89	103.07	116.77	104.52
19 Depreciation and Amortization	186.94	174.57	180.17	170.19	158.40
20 Other Operations Expense	382.55	417.20	383.63	322.18	299.30
21 Income Taxes - Operating Taxes	65.01	56.91	41.74	90.87	113.05
22 Other Taxes - Operating Taxes	43.67	22.43	36.64	54.94	53.73
23 Capital Costs	243.00	214.26	201.09	168.51	209.96
24 Total	1,008.68	960.26	946.34	923.46	938.96

**Frontier Communications of AuSable Valley
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,787,907	\$1,795,216	\$1,795,177	\$1,795,177	\$1,789,227	1
Central Office Assets	8,282,463	8,158,577	8,021,190	7,936,136	7,817,155	2
Information Origination/Termination	210,258	205,905	205,905	203,566	203,154	3
Cable And Wire Facilities	13,638,530	13,538,718	13,401,187	13,210,377	12,961,986	4
Amortizable Assets						5
Total Plant In Service	23,919,158	23,698,416	23,423,459	23,145,256	22,771,522	6
Property Held For Future Use						7
Plant Under Construction	175,823	116,222	195,610	185,337	190,718	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,094,981	23,814,638	23,619,069	23,330,593	22,962,240	13
Less Acc. Prov. For Depreciation & Amort.	20,575,182	19,782,078	19,015,684	18,077,451	17,116,168	14
Net Total Utility Plant	\$3,519,799	\$4,032,560	\$4,603,386	\$5,253,142	\$5,846,072	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.56	1.05	1.67	1.93	3.12	16
Total Capitalization	\$12,982,777	\$12,038,693	\$15,091,736	\$14,225,950	\$13,161,102	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	161.53	167.98	115.59	154.04	-45.15	22
Com. Stock Dividends as a % of Earnings		211.2%	231.0%		68.0%	23
Return on Common Equity	7.5%	7.0%	5.9%	7.8%	23.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1133.0%	1247.9%	826.1%	938.5%	704.4%	25
CWIP as a % of Plant	0.7%	0.5%	0.8%	0.8%	0.8%	26

Current Assets	1,428,547	1,274,470	1,156,292	1,280,621	2,152,558
Current Liabilities	2,548,844	1,213,388	691,626	665,166	689,238
Total Capitalization	12,982,777	12,038,693	15,091,736	14,225,950	13,161,102
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	12,982,777	12,038,693	15,091,736	14,225,950	13,161,102
Short-Term Debt					
Pretax Income	1,463,920	1,426,860	1,305,097	1,680,388	4,442,835
Interest Expense	9,063	8,494	11,291	10,909	(98,400)
Common Dividends Paid		2,000,000	2,000,000		2,000,000
Net Income (Excl. Preferred Stock Dividends)	944,084	946,934	865,784	1,064,848	2,941,652
Internal Cash	3,176,257	2,440,589	2,383,239	3,457,036	1,874,998
Cash Outflows for Construction	(280,342)	(195,570)	(288,477)	(368,353)	(266,181)
CWIP	175,823	116,222	195,610	185,337	190,718
Total Plant	24,094,981	23,814,638	23,619,069	23,330,593	22,962,240
Shares Outstanding	21,742	21,742	21,742	21,742	21,742
Number of Employees	7	7	7	7	7

**Frontier Communications of New York
Statement of Cash Flows**

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$10,945,896	\$11,267,473	\$13,377,031	\$16,081,315	\$19,453,040	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,805,641	5,860,484	7,167,252	8,434,498	9,802,045	2
Changes in Deferred Income Taxes	202,788	202,788	202,788	700,273	(1,168,267)	3
Changes in Working Capital	20,818,771	5,599,044	1,834,794	(1,830,071)	3,854,662	4
Capitalized AFDC - Equity						5
Other	449,256	(331,798)	(512,772)	448,678	589,798	6
Total Non-Cash Items	25,276,456	11,330,519	8,692,063	7,753,378	13,078,238	7
Net Cash Provided From Operating Activities	<u>36,222,352</u>	<u>22,597,991</u>	<u>22,069,094</u>	<u>23,834,693</u>	<u>32,531,278</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,543,336)	(1,042,699)	(1,907,167)	(1,544,844)	(713,003)	9
Purchase of Other Investments	(34,675,011)	19,551,209	(19,434,288)	(17,445,447)	(931,742)	10
Sale of Other Investments						11
Other		(1,093,962)	(782,855)	(843,203)	(2,791,227)	12
Net Cash Provided From Investing Activities	<u>(36,218,346)</u>	<u>17,414,548</u>	<u>(22,124,310)</u>	<u>(19,833,494)</u>	<u>(4,435,972)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(40,000,000)		(4,000,000)	(28,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(40,000,000)</u>		<u>(4,000,000)</u>	<u>(28,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	4,005	12,539	(55,216)	1,199	95,305	21
Cash & Equivalents at Beginning of Year	(657)	(13,196)	42,019	40,820	(54,485)	22
Cash & Equivalents at End of Year	\$3,348	(\$657)	(\$13,196)	\$42,019	\$40,820	23

Frontier Communications of New York
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$44,515,184	\$47,936,968	\$51,013,275	\$54,625,491	\$57,904,186
2 Access Lines	38,225	40,831	43,403	46,290	50,205
DOLLAR AMOUNTS					
3 Wages and Benefits	\$3,589,976	\$3,801,821	2,625,519	\$3,652,425	\$4,213,039
4 Depreciation and Amortization	5,085,294	5,860,484	7,167,252	8,434,498	9,802,045
5 Other Operations Expense	14,900,489	17,621,441	17,482,913	16,135,568	17,140,696
6 Total Operation Expenses	23,575,759	27,283,846	27,275,684	28,222,491	31,155,780
7 Income Taxes - Operating Taxes	5,226,193	5,262,497	5,812,013	8,156,361	8,090,087
8 Other Taxes - Operating Taxes	2,768,920	2,358,571	2,288,810	3,230,911	3,633,873
9 Capital Costs	12,944,312	13,032,054	15,636,768	15,015,728	15,024,446
10 Total	\$44,515,184	\$47,936,968	51,013,275	\$54,625,491	\$57,904,186
PERCENT OF REVENUES					
11 Wages and Benefits	8.1	7.9	19.6	6.7	7.3
12 Depreciation and Amortization	11.4	12.2	53.6	15.4	16.9
13 Other Operations Expense	33.5	36.8	130.7	29.5	29.6
14 Income Taxes - Operating Taxes	11.7	11.0	43.4	14.9	14.0
15 Other Taxes - Operating Taxes	6.2	4.9	17.1	5.9	6.3
16 Capital Costs	29.1	27.2	116.9	27.5	25.9
17 Total	100.0	100.0	381.3	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	93.92	93.11	60.49	78.90	83.92
19 Depreciation and Amortization	133.04	143.53	165.13	182.21	195.24
20 Other Operations Expense	389.81	431.57	402.80	348.58	341.41
21 Income Taxes - Operating Taxes	136.72	128.88	133.91	176.20	161.14
22 Other Taxes - Operating Taxes	72.44	57.76	52.73	69.80	72.38
23 Capital Costs	338.63	319.17	360.27	324.38	299.26
24 Total	1,164.56	1,174.03	1,175.34	1,180.07	1,153.35

**Frontier Communications of New York
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$16,433,333	\$16,869,171	\$16,765,813	\$16,812,910	\$16,820,171	1
Central Office Assets	88,187,206	87,567,207	87,065,215	86,307,079	85,401,101	2
Information Origination/Termination	2,644,079	2,338,004	2,284,025	2,267,119	2,192,272	3
Cable And Wire Facilities	82,912,850	82,390,021	81,841,999	80,999,235	80,046,375	4
Amortizable Assets	31,214	31,214	31,214	31,214	31,214	5
Total Plant In Service	190,208,682	189,195,617	187,988,266	186,417,557	184,491,133	6
Property Held For Future Use					38,544	7
Plant Under Construction	1,577,454	1,047,183	1,211,832	875,372	1,218,410	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	191,786,136	190,242,800	189,200,098	187,292,929	185,748,087	13
Less Acc. Prov. For Depreciation & Amort.	158,357,410	154,551,770	149,736,659	143,352,260	135,760,968	14
Net Total Utility Plant	\$33,428,726	\$35,691,030	\$39,463,439	\$43,940,669	\$49,987,119	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.34	0.95	1.85	2.25	1.66	16
Total Capitalization	\$95,252,713	\$84,306,817	\$153,039,346	\$139,662,315	\$127,581,000	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	N/A	N/A	N/A	N/A	N/A	22
Com. Stock Dividends as a % of Earnings		355.0%		25.1%	143.9%	23
Return on Common Equity	12.2%	9.5%	9.1%	11.9%	14.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2556.9%	2415.7%	1376.1%	1815.2%	5167.9%	25
CWIP as a % of Plant	0.8%		0.6%	0.5%	0.7%	26

Current Assets	11,406,972	16,277,473	9,953,957	11,606,490	12,111,363
Current Liabilities	33,345,410	17,183,947	5,370,466	5,155,815	7,300,239
Total Capitalization	95,252,713	84,306,817	153,039,346	139,662,315	127,581,000
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	95,252,713	84,306,817	153,039,346	139,662,315	127,581,000
Short-Term Debt					
Pretax Income	18,007,168	18,164,120	21,288,809	25,754,309	30,871,756
Interest Expense	1,233,108	1,113,793	1,003,600	901,821	807,834
Common Dividends Paid		40,000,000		4,000,000	28,000,000
Net Income (Excl. Preferred Stock Dividends)	10,945,896	11,267,473	13,377,031	15,949,518	19,453,035
Internal Cash	39,460,876	25,188,342	26,244,103	28,041,641	36,847,516
Cash Outflows for Construction	(1,543,336)	(1,042,699)	(1,907,167)	(1,544,844)	(713,003)
CWIP	1,577,454		1,211,832	875,372	1,218,410
Total Plant	191,786,136	190,242,800	189,200,098	187,292,929	185,748,087
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	43	46	45	46	49

Rochester Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$6,703,084	(\$317,152)	\$8,965,486	\$32,344,367	\$49,822,089	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	47,865,593	68,827,514	69,199,706	69,960,582	68,643,556	2
Changes in Deferred Income Taxes	1,274,508	1,274,508	1,274,508	6,968,527	(2,751,148)	3
Changes in Working Capital	153,125,053	33,336,532	49,377,900	(36,757,918)	(22,626,414)	4
Capitalized AFDC - Equity						5
Other	5,913,684	7,947,481	6,353,598	7,795,652	5,232,650	6
Total Non-Cash Items	208,178,838	111,386,035	126,205,712	47,966,844	48,498,644	7
Net Cash Provided From Operating Activities	<u>214,881,922</u>	<u>111,068,883</u>	<u>135,171,198</u>	<u>80,311,211</u>	<u>98,320,733</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(12,022,212)	(14,941,818)	(17,701,859)	(18,536,055)	(15,420,113)	9
Purchase of Other Investments	(201,734,164)	11,224,075	(109,583,307)	(53,783,726)	1,037,920	10
Sale of Other Investments		225,432	431,318			11
Other		(8,957,522)	(7,724,980)	(7,137,177)	(15,752,398)	12
Net Cash Provided From Investing Activities	<u>(213,756,376)</u>	<u>(12,449,833)</u>	<u>(134,578,828)</u>	<u>(79,456,958)</u>	<u>(30,134,591)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(100,000,000)			(65,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(100,000,000)</u>			<u>(65,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,125,546	(1,380,950)	592,370	854,253	3,186,142	21
Cash & Equivalents at Beginning of Year	383,059	1,764,009	1,171,639	317,386	(2,868,757)	22
Cash & Equivalents at End of Year	\$1,508,605	\$383,059	\$1,764,009	\$1,171,639	\$317,386	23

Rochester Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$237,204,541	\$246,340,175	\$263,791,764	\$287,285,493	\$301,683,576
2 Access Lines	192,047	209,212	228,522	251,260	275,184
DOLLAR AMOUNTS					
3 Wages and Benefits	\$39,820,307	\$42,498,914	\$43,239,985	\$46,550,939	\$55,309,820
4 Depreciation and Amortization	59,629,909	68,827,514	69,199,706	69,960,582	68,643,556
5 Other Operations Expense	101,010,928	113,237,588	112,030,329	96,752,274	89,705,967
6 Total Operation Expenses	200,461,145	224,564,285	224,470,019	213,263,795	213,659,343
7 Income Taxes - Operating Taxes	(1,160,364)	(4,450,729)	(12,707)	11,057,241	28,072,845
8 Other Taxes - Operating Taxes	18,690,539	16,490,634	20,275,136	21,085,940	20,683,254
9 Capital Costs	19,213,221	9,735,985	19,059,316	41,878,516	39,268,134
10 Total	\$237,204,541	\$246,340,175	\$263,791,764	\$287,285,493	\$301,683,576
PERCENT OF REVENUES					
11 Wages and Benefits	16.8	17.3	16.4	16.2	18.3
12 Depreciation and Amortization	25.1	27.9	26.2	24.4	22.8
13 Other Operations Expense	42.6	46.0	42.5	33.7	29.7
14 Income Taxes - Operating Taxes	(0.5)	(1.8)	(0.0)	3.8	9.3
15 Other Taxes - Operating Taxes	7.9	6.7	7.7	7.3	6.9
16 Capital Costs	8.1	4.0	7.2	14.6	13.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	207.35	203.14	189.22	185.27	200.99
19 Depreciation and Amortization	310.50	328.98	302.81	278.44	249.45
20 Other Operations Expense	525.97	541.26	490.24	385.07	325.99
21 Income Taxes - Operating Taxes	(6.04)	(21.27)	(0.06)	44.01	102.01
22 Other Taxes - Operating Taxes	97.32	78.82	88.72	83.92	75.16
23 Capital Costs	100.04	46.54	83.40	166.67	142.70
24 Total	1,235.14	1,177.47	1,154.34	1,143.38	1,096.30

Rochester Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$130,190,880	\$135,649,946	\$136,310,383	\$135,030,667	\$133,658,997	1
Central Office Assets	635,406,134	626,631,562	613,644,327	605,209,992	597,141,766	2
Information Origination/Termination	15,033,237	15,032,753	15,032,753	15,032,753	17,895,274	3
Cable And Wire Facilities	719,915,023	713,388,705	706,222,259	702,446,053	691,639,459	4
Amortizable Assets	12,080,937	12,080,937	12,080,937	12,078,642	12,061,718	5
Total Plant In Service	1,512,626,211	1,502,783,903	1,483,290,659	1,469,798,107	1,452,397,214	6
Property Held For Future Use						7
Plant Under Construction	9,636,128	7,456,223	12,085,833	7,956,050	10,738,344	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,205	2,205	2,205	2,205		11
Goodwill						12
Total Telecommunications Plant	1,522,264,544	1,510,242,331	1,495,378,697	1,477,756,362	1,463,135,558	13
Less Acc. Prov. For Depreciation & Amort.	1,232,107,015	1,184,241,424	1,124,224,180	1,062,397,661	1,003,489,506	14
Net Total Utility Plant	\$290,157,529	\$326,000,907	\$371,154,517	\$415,358,701	\$459,646,052	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.35	0.82	1.36	2.33	1.59	16
Total Capitalization	\$621,596,519	\$614,893,435	\$715,210,589	\$706,245,103	\$673,900,736	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	1.88	0.79	2.34	7.23	11.49	22
Com. Stock Dividends as a % of Earnings		-31530.8%			130.5%	23
Return on Common Equity	1.1%	0.0%	1.3%	4.7%	7.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1965.1%	863.5%	870.8%	545.6%	863.2%	25
CWIP as a % of Plant	0.6%	0.5%	0.8%	0.5%	0.7%	26

Current Assets	88,847,854	75,175,320	68,904,013	117,601,818	83,614,552
Current Liabilities	255,167,418	92,205,399	50,601,153	50,549,785	52,680,812
Total Capitalization	621,596,519	614,893,435	715,210,589	706,245,103	673,900,736
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	621,596,519	614,893,435	715,210,589	706,245,103	673,900,736
Short-Term Debt					
Pretax Income	20,606,033	7,845,064	21,154,784	59,288,507	85,323,377
Interest Expense	10,983,152	9,970,383	9,054,562	8,203,246	7,428,441
Common Dividends Paid		100,000,000			65,000,000
Net Income (Excl. Preferred Stock Dividends)	6,703,084	(317,150)	8,965,487	32,344,367	49,822,091
Internal Cash	236,250,105	129,026,977	154,155,251	101,140,354	133,101,079
Cash Outflows for Construction	(12,022,212)	(14,941,818)	(17,701,859)	(18,536,055)	(15,420,113)
CWIP	9,636,128	7,456,223	12,085,833	7,956,050	10,738,344
Total Plant	1,522,264,544	1,510,242,331	1,495,378,697	1,477,756,363	1,463,135,558
Shares Outstanding	772				
Number of Employees	409	466	505	525	608

**Frontier Communications of Seneca Gorham
Statement of Cash Flows
For the Year Ended December 31,**

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$554,604	\$841,386	\$973,431	\$1,495,043	\$2,677,753	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	742,902	742,285	771,103	802,886	814,600	2
Changes in Deferred Income Taxes	27,852	27,852	27,852	652,412	396,350	3
Changes in Working Capital	1,781,892	269,334	851,004	(16,136)	(1,140,302)	4
Capitalized AFDC - Equity						5
Other	(95,755)	(94,506)	(73,408)	(20,527)	(1,176,984)	6
Total Non-Cash Items	2,456,892	944,965	1,576,551	1,418,634	(1,106,336)	7
Net Cash Provided From Operating Activities	<u>3,011,496</u>	<u>1,786,351</u>	<u>2,549,981</u>	<u>2,913,677</u>	<u>1,571,417</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(339,152)	(505,031)	(634,767)	(568,150)	(425,639)	9
Purchase of Other Investments	(2,672,344)	2,777,669	(1,878,192)	(2,270,075)	2,070,446	10
Sale of Other Investments						11
Other		(58,044)	(42,479)	(86,885)	(240,532)	12
Net Cash Provided From Investing Activities	<u>(3,011,496)</u>	<u>2,214,594</u>	<u>(2,555,438)</u>	<u>(2,925,110)</u>	<u>1,404,275</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock		(4,000,000)				15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(3,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(4,000,000)</u>			<u>(3,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	0	945	(5,457)	(11,432)	(24,308)	21
Cash & Equivalents at Beginning of Year	(0)	(945)	4,511	15,944	40,252	22
Cash & Equivalents at End of Year	\$0	(\$0)	(\$945)	\$4,511	\$15,944	23

Frontier Communications of Seneca Gorham
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,764,330	\$4,953,194	\$5,206,041	\$5,748,541	\$5,959,624
2 Access Lines	6,620	6,081	6,374	6,755	7,216
DOLLAR AMOUNTS					
3 Wages and Benefits	\$637,473	\$554,851	\$523,515	\$500,519	\$491,188
4 Depreciation and Amortization	813,537	742,285	771,103	802,886	814,600
5 Other Operations Expense	2,217,466	2,203,086	2,177,854	1,899,214	1,878,985
6 Total Operation Expenses	3,668,476	3,500,222	3,472,472	3,202,618	3,184,773
7 Income Taxes - Operating Taxes	(73,584)	86,830	128,032	764,125	1,460,606
8 Other Taxes - Operating Taxes	218,569	173,363	247,313	362,710	322,555
9 Capital Costs	950,870	1,192,779	1,358,224	1,419,088	991,690
10 Total	\$4,764,330	\$4,953,194	\$5,206,041	\$5,748,541	\$5,959,624
PERCENT OF REVENUES					
11 Wages and Benefits	13.4	11.2	10.1	8.7	8.2
12 Depreciation and Amortization	17.1	15.0	14.8	14.0	13.7
13 Other Operations Expense	46.5	44.5	41.8	33.0	31.5
14 Income Taxes - Operating Taxes	(1.5)	1.8	2.5	13.3	24.5
15 Other Taxes - Operating Taxes	4.6	3.5	4.8	6.3	5.4
16 Capital Costs	20.0	24.1	26.1	24.7	16.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	96.29	91.24	82.13	74.10	68.07
19 Depreciation and Amortization	122.89	122.07	120.98	118.86	112.89
20 Other Operations Expense	334.96	362.29	341.68	281.16	260.39
21 Income Taxes - Operating Taxes	(11.12)	14.28	20.09	113.12	202.41
22 Other Taxes - Operating Taxes	33.02	28.51	38.80	53.70	44.70
23 Capital Costs	143.64	196.15	213.09	210.08	137.43
24 Total	719.69	814.54	816.76	851.01	825.89

**Frontier Communications of Seneca Gorham
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,119,429	\$2,150,796	\$1,963,546	\$1,905,303	\$1,924,076	1
Central Office Assets	12,225,709	11,934,773	11,678,758	11,511,208	11,348,050	2
Information Origination/Termination	80,781	80,781	69,302	69,302	54,492	3
Cable And Wire Facilities	12,335,311	12,189,637	11,964,458	11,775,903	11,400,035	4
Amortizable Assets						5
Total Plant In Service	26,761,229	26,355,987	25,676,064	25,261,716	24,726,653	6
Property Held For Future Use						7
Plant Under Construction	145,390	211,483	386,373	165,954	132,868	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	26,906,619	26,567,470	26,062,437	25,427,670	24,859,521	13
Less Acc. Prov. For Depreciation & Amort.	23,000,402	22,257,499	21,573,258	20,844,630	20,128,627	14
Net Total Utility Plant	\$3,906,218	\$4,309,971	\$4,489,179	\$4,583,040	\$4,730,894	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.44	0.97	1.21	2.16	2.20	16
Total Capitalization	\$5,302,544	\$4,747,940	\$11,906,553	\$10,933,122	\$9,438,079	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	18.12	28.69	37.02	65.57	-138.95	22
Com. Stock Dividends as a % of Earnings		489.0%			112.5%	23
Return on Common Equity	11.0%	9.8%	8.4%	14.5%	27.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1208.6%	553.3%	575.8%	670.9%	591.9%	25
CWIP as a % of Plant	0.5%	0.8%	1.5%	0.7%	0.5%	26

Current Assets	1,414,730	1,359,272	1,309,830	2,026,038	2,025,079
Current Liabilities	3,232,500	1,398,385	1,080,261	940,014	919,257
Total Capitalization	5,302,544	4,747,940	11,906,553	10,933,122	9,438,079
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,302,544	4,747,940	11,906,553	10,933,122	9,438,079
Short-Term Debt					
Pretax Income	889,910	1,272,640	1,480,089	2,355,500	4,098,000
Interest Expense	49,116	44,364	39,977	35,921	(29,492)
Common Dividends Paid		4,000,000			3,000,000
Net Income (Excl. Preferred Stock Dividends)	554,604	818,021	957,816	1,480,545	2,666,886
Internal Cash	4,099,021	2,794,511	3,654,821	3,811,862	2,519,265
Cash Outflows for Construction	(339,152)	(505,031)	(634,767)	(568,150)	(425,639)
CWIP	145,390	211,483	386,373	165,954	132,867
Total Plant	26,906,619	26,567,470	26,062,437	25,427,669	24,859,520
Shares Outstanding	100	100	100	100	100
Number of Employees	7	9	9	9	9

**Frontier Communications of Sylvan Lake
Statement of Cash Flows
For the Year Ended December 31,**

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$199,524	\$474,423	\$127,981	\$892,749	\$1,627,068	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	925,600	1,589,673	1,806,573	2,514,667	3,059,689	2
Changes in Deferred Income Taxes	194,083	171,690	171,690	272,018	(585,583)	3
Changes in Working Capital	2,089,022	445,562	465,014	(326,757)	499,708	4
Capitalized AFDC - Equity						5
Other	(53,024)	(108,311)	(167,510)	161,740	(90,170)	6
Total Non-Cash Items	3,155,681	2,098,614	2,275,767	2,621,668	2,883,644	7
Net Cash Provided From Operating Activities	<u>3,355,205</u>	<u>2,573,037</u>	<u>2,403,748</u>	<u>3,514,417</u>	<u>4,510,711</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(119,983)	(391,061)	(342,734)	(302,450)	(312,504)	9
Purchase of Other Investments	(3,235,222)	4,018,072	(1,815,569)	(365,174)	(981,138)	10
Sale of Other Investments		(198,217)				11
Other			(249,643)	(307,123)	(265,422)	12
Net Cash Provided From Investing Activities	<u>(3,355,205)</u>	<u>3,428,794</u>	<u>(2,407,946)</u>	<u>(974,747)</u>	<u>(1,559,064)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(6,000,000)		(2,500,000)	(3,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(6,000,000)</u>		<u>(2,500,000)</u>	<u>(3,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	4	1,831	(4,198)	39,670	(48,353)	21
Cash & Equivalents at Beginning of Year	(3)	(1,834)	2,364	(37,307)	11,046	22
Cash & Equivalents at End of Year	\$0	(\$3)	(\$1,834)	\$2,364	(\$37,307)	23

**Frontier Communications of Sylvan Lake
Distribution of Telephone Revenues
Years ended December 31,**

	2012	2011	2010	2009	2008
1 Revenues	\$6,264,199	\$7,099,933	\$7,386,531	\$8,837,853	\$10,193,931
2 Access Lines	6,947	7,756	8,301	9,283	10,821
DOLLAR AMOUNTS					
3 Wages and Benefits	\$758,262	\$762,100	\$861,923	\$996,744	\$1,092,341
4 Depreciation and Amortization	1,535,280	1,589,673	1,806,573	2,514,667	3,059,689
5 Other Operations Expense	3,089,824	3,709,968	3,967,860	3,609,484	3,985,527
6 Total Operation Expenses	5,383,365	6,061,741	6,636,356	7,120,894	8,137,558
7 Income Taxes - Operating Taxes	(214,312)	(88,240)	(364,910)	364,203	906,720
8 Other Taxes - Operating Taxes	558,940	358,582	596,289	688,435	587,721
9 Capital Costs	536,205	767,851	518,796	664,321	561,933
10 Total	\$6,264,199	\$7,099,933	\$7,386,531	\$8,837,853	\$10,193,931
PERCENT OF REVENUES					
11 Wages and Benefits	12.1	10.7	11.7	11.3	10.7
12 Depreciation and Amortization	24.5	22.4	24.5	28.5	30.0
13 Other Operations Expense	49.3	52.3	53.7	40.8	39.1
14 Income Taxes - Operating Taxes	(3.4)	(1.2)	(4.9)	4.1	8.9
15 Other Taxes - Operating Taxes	8.9	5.1	8.1	7.8	5.8
16 Capital Costs	8.6	10.8	7.0	7.5	5.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	109.15	98.26	103.83	107.37	100.95
19 Depreciation and Amortization	221.00	204.96	217.63	270.89	282.75
20 Other Operations Expense	444.77	478.34	478.00	388.83	368.31
21 Income Taxes - Operating Taxes	(30.85)	(11.38)	(43.96)	39.23	83.79
22 Other Taxes - Operating Taxes	80.46	46.23	71.83	74.16	54.31
23 Capital Costs	77.19	99.00	62.50	71.56	51.93
24 Total	901.71	915.41	889.84	952.05	942.05

**Frontier Communications of Sylvan Lake
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,389,381	\$2,447,040	\$2,386,238	\$2,423,683	\$2,476,053	1
Central Office Assets	22,866,826	22,881,529	22,692,607	22,550,130	22,417,753	2
Information Origination/Termination	275,858	275,859	268,547	261,720	251,958	3
Cable And Wire Facilities	26,958,007	26,800,455	26,666,837	26,529,575	26,386,635	4
Amortizable Assets						5
Total Plant In Service	52,490,072	52,404,883	52,014,229	51,765,108	51,532,399	6
Property Held For Future Use					56,888	7
Plant Under Construction	422,666	387,869	387,468	293,855	167,226	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	52,912,738	52,792,752	52,401,697	52,058,963	51,756,513	13
Less Acc. Prov. For Depreciation & Amort.	43,910,811	42,985,210	41,593,758	40,036,826	37,829,281	14
Net Total Utility Plant	\$9,001,927	\$9,807,542	\$10,807,939	\$12,022,137	\$13,927,232	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.41	0.84	1.10	1.42	1.16	16
Total Capitalization	\$11,961,877	\$11,762,353	\$23,287,928	\$23,159,948	\$24,767,199	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	12.26	28.58	7.19	-2.63	-1.38	22
Com. Stock Dividends as a % of Earnings				281.9%	184.6%	23
Return on Common Equity	1.7%	2.7%	0.6%	3.7%	6.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	3575.0%	896.2%	1051.0%	1594.9%	1927.9%	25
CWIP as a % of Plant	0.8%		0.7%	0.6%	0.3%	26

Current Assets	1,665,581	1,562,632	1,387,473	1,715,120	2,244,739
Current Liabilities	4,067,416	1,869,012	1,262,931	1,210,275	1,928,364
Total Capitalization	11,961,877	11,762,353	23,287,928	23,159,948	24,767,199
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,961,877	11,762,353	23,287,928	23,159,948	24,767,199
Short-Term Debt					
Pretax Income	329,115	692,513	157,053	1,028,544	1,468,346
Interest Expense	26,836	24,231	21,841	(391,696)	(1,063,226)
Common Dividends Paid				2,500,000	3,000,000
Net Income (Excl. Preferred Stock Dividends)	199,524	474,429	129,712	886,741	1,624,853
Internal Cash	4,289,418	3,504,769	3,601,967	4,823,724	6,024,654
Cash Outflows for Construction	(119,983)	(391,061)	(342,734)	(302,450)	(312,504)
CWIP	422,666		387,468	293,855	167,226
Total Plant	52,912,738	52,792,752	52,401,697	52,058,963	51,756,513
Shares Outstanding	200	200	200	200	200
Number of Employees	7	8	9	10	11

Germantown Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$333,678)	(\$304,271)	(\$148,595)	(\$58,480)	\$617,816	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	353,212	292,802	231,857	455,213	581,177	2
Changes in Deferred Income Taxes	(524,385)	(293,276)	145,713	17,700	(34,925)	3
Changes in Working Capital	616,175	119,031	670,599	27,294	144,267	4
Capitalized AFDC - Equity						5
Other	18,989	348,358	(34,048)	(128,210)	(1,115,794)	6
Total Non-Cash Items	463,991	466,915	1,014,121	371,997	(425,275)	7
Net Cash Provided From Operating Activities	<u>130,313</u>	<u>162,644</u>	<u>865,526</u>	<u>313,518</u>	<u>192,541</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(169,388)	(240,162)	(768,638)	(436,079)	(508,100)	9
Purchase of Other Investments						10
Sale of Other Investments	(583)	221	(119)	5,078	(5,331)	11
Other	(6,623)	(27,203)	(28,527)	(47,593)	(47,705)	12
Net Cash Provided From Investing Activities	<u>(176,594)</u>	<u>(267,144)</u>	<u>(797,284)</u>	<u>(478,594)</u>	<u>(561,136)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(87,000)	(9,000)	(156,000)	(12,000)	(262,000)	18
Other Financing	1,779	(2,738)	(55,656)	119,958	(103,275)	19
Net Cash Provided From Financing Activities	<u>(85,221)</u>	<u>(11,738)</u>	<u>(211,656)</u>	<u>107,958</u>	<u>(365,275)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(131,503)	(116,238)	(143,414)	(57,118)	(733,870)	21
Cash & Equivalents at Beginning of Year	396,269	512,507	655,921	713,039	1,446,909	22
Cash & Equivalents at End of Year	\$264,766	\$396,269	\$512,507	\$655,921	\$713,039	23

Germantown Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,373,383	\$2,469,960	\$2,396,164	\$2,609,842	\$2,647,217
2 Access Lines	2,207	2,287	2,361	2,497	2,597
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,365,179	\$1,393,453	\$1,264,050	\$1,200,596	\$1,407,384
4 Depreciation and Amortization	353,212	292,802	231,857	455,215	581,178
5 Other Operations Expense	1,065,978	1,098,276	1,141,079	1,146,626	1,261,903
6 Total Operation Expenses	2,784,369	2,784,531	2,636,986	2,802,438	3,250,465
7 Income Taxes - Operating Taxes	(153,127)	(132,981)	(91,374)	(28,783)	(247,012)
8 Other Taxes - Operating Taxes	104,527	116,049	118,004	122,559	116,216
9 Capital Costs	(362,386)	(297,639)	(267,453)	(286,372)	(472,453)
10 Total	\$2,373,383	\$2,469,960	\$2,396,164	\$2,609,842	\$2,647,217
PERCENT OF REVENUES					
11 Wages and Benefits	57.5	56.4	52.8	46.0	53.2
12 Depreciation and Amortization	14.9	11.9	9.7	17.4	22.0
13 Other Operations Expense	44.9	44.5	47.6	43.9	47.7
14 Income Taxes - Operating Taxes	(6.5)	(5.4)	(3.8)	(1.1)	(9.3)
15 Other Taxes - Operating Taxes	4.4	4.7	4.9	4.7	4.4
16 Capital Costs	(15.3)	(12.1)	(11.2)	(11.0)	(17.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	618.57	609.29	535.39	480.82	541.93
19 Depreciation and Amortization	160.04	128.03	98.20	182.30	223.79
20 Other Operations Expense	483.00	480.23	483.30	459.20	485.91
21 Income Taxes - Operating Taxes	(69.38)	(58.15)	(38.70)	(11.53)	(95.11)
22 Other Taxes - Operating Taxes	47.36	50.74	49.98	49.08	44.75
23 Capital Costs	(164.20)	(130.14)	(113.28)	(114.69)	(181.92)
24 Total	1,075.39	1,080.00	1,014.89	1,045.19	1,019.34

Germantown Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,834,410	\$1,817,236	\$1,803,372	\$1,795,538	\$1,788,081	1
Central Office Assets	2,361,523	2,257,063	2,066,769	3,408,618	3,361,476	2
Information Origination/Termination	52,759	52,759	181,672	181,672	181,672	3
Cable And Wire Facilities	4,541,905	4,477,025	4,475,491	4,064,176	3,689,358	4
Amortizable Assets	432,647	416,447	398,040	396,059	396,059	5
Total Plant In Service	9,223,243	9,020,530	8,925,344	9,846,062	9,416,646	6
Property Held For Future Use						7
Plant Under Construction	33,680	90,394	315,881	166,786	369,300	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,256,923	9,110,924	9,241,224	10,012,848	9,785,946	13
Less Acc. Prov. For Depreciation & Amort.	6,200,666	5,871,426	5,948,867	7,257,391	7,006,276	14
Net Total Utility Plant	\$3,056,257	\$3,239,498	\$3,292,357	\$2,755,458	\$2,779,670	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.54	0.85	1.05	3.83	4.40	16
Total Capitalization	\$7,460,298	\$7,900,204	\$8,440,724	\$8,782,054	\$8,773,366	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	-721.01	#DIV/0!	22
Com. Stock Dividends as a % of Earnings	-26.1%	-3.0%	-105.0%	-20.5%	42.4%	23
Return on Common Equity	-4.3%	-3.7%	-1.7%	-0.7%	7.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	76.9%	67.7%	112.6%	71.9%	72.2%	25
CWIP as a % of Plant	0.4%	1.0%	3.4%	1.7%	3.8%	26

Current Assets	1,076,502	1,011,763	969,277	1,191,809	1,308,035
Current Liabilities	1,987,387	1,186,453	926,595	311,552	297,443
Total Capitalization	7,460,298	7,900,204	8,440,724	8,782,054	8,773,366
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,460,298	7,900,204	8,440,724	8,782,054	8,773,366
Short-Term Debt					
Pretax Income	(485,261)	(436,394)	(216,341)	(165,920)	323,881
Interest Expense				230	
Common Dividends Paid	87,000	9,000	156,000	12,000	262,000
Net Income (Excl. Preferred Stock Dividends)	(333,678)	(304,271)	(148,595)	(58,480)	617,816
Internal Cash	130,313	162,644	865,526	313,518	192,541
Cash Outflows for Construction	(169,388)	(240,162)	(768,638)	(436,079)	(266,797)
CWIP	33,680	90,394	315,881	166,786	369,300
Total Plant	9,256,923	9,110,923	9,241,224	10,012,848	9,785,946
Shares Outstanding	800	800	800	800	800
Number of Employees	15	15	16	15	14

Hancock Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$18,921	\$7,955	(\$152,452)	(\$99,741)	(\$93,730)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	138,878	258,925	270,547	292,721	300,995	2
Changes in Deferred Income Taxes	28,343	(26,406)	(17,695)	(71,278)	(56,104)	3
Changes in Working Capital	(2,575)	69,876	(53,520)	(322,585)	230,718	4
Capitalized AFDC - Equity						5
Other	(213,403)	(105,039)	(693)	8,999	(39,035)	6
Total Non-Cash Items	(48,757)	197,356	198,639	(92,143)	436,574	7
Net Cash Provided From Operating Activities	<u>(29,836)</u>	<u>205,311</u>	<u>46,187</u>	<u>(191,884)</u>	<u>342,844</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(137,831)	(5,025)	(76,414)	(101,256)	(400,237)	9
Purchase of Other Investments						10
Sale of Other Investments	9,772	7,500	2,948		(40)	11
Other	(27,651)	(94,027)	(90,016)	(100,993)	(80,273)	12
Net Cash Provided From Investing Activities	<u>(155,710)</u>	<u>(91,552)</u>	<u>(163,482)</u>	<u>(202,249)</u>	<u>(480,550)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(6,434)	(44,678)	(122,764)	(130,484)	(121,592)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(59,000)	(50,000)	26,000	410,000		17
Dividends Paid					(17,460)	18
Other Financing	317,581	22,495	119,357	121,512	204,784	19
Net Cash Provided From Financing Activities	<u>252,147</u>	<u>(72,183)</u>	<u>22,593</u>	<u>401,028</u>	<u>65,732</u>	20
Net Increase (Decrease) in Cash & Equivalents	66,601	41,576	(94,702)	6,895	(71,974)	21
Cash & Equivalents at Beginning of Year	101,924	60,348	155,050	148,155	220,129	22
Cash & Equivalents at End of Year	\$168,525	\$101,924	\$60,348	\$155,050	\$148,155	23

Hancock Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,531,677	\$1,612,681	\$1,688,590	\$1,809,792	\$1,895,944
2 Access Lines	1,405	1,460	1,517	1,567	1,648
DOLLAR AMOUNTS					
3 Wages and Benefits	\$976,855	\$988,327	\$1,068,352	\$1,068,340	\$1,134,478
4 Depreciation and Amortization	123,598	242,660	255,104	281,275	299,759
5 Other Operations Expense	537,643	495,205	566,893	536,014	599,315
6 Total Operation Expenses	1,638,096	1,726,192	1,890,349	1,885,629	2,033,552
7 Income Taxes - Operating Taxes	(77,073)	(89,590)	(112,772)	(74,185)	(91,111)
8 Other Taxes - Operating Taxes	74,920	78,015	84,852	90,236	92,804
9 Capital Costs	(104,266)	(101,936)	(173,839)	(91,888)	(139,301)
10 Total	\$1,531,677	\$1,612,681	\$1,688,590	\$1,809,792	\$1,895,944
PERCENT OF REVENUES					
11 Wages and Benefits	63.8	61.3	63.3	59.0	59.8
12 Depreciation and Amortization	8.1	15.0	15.1	15.5	15.8
13 Other Operations Expense	35.1	30.7	33.6	29.6	31.6
14 Income Taxes - Operating Taxes	(5.0)	(5.6)	(6.7)	(4.1)	(4.8)
15 Other Taxes - Operating Taxes	4.9	4.8	5.0	5.0	4.9
16 Capital Costs	(6.8)	(6.3)	(10.3)	(5.1)	(7.3)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	695.27	676.94	704.25	681.77	688.40
19 Depreciation and Amortization	87.97	166.21	168.16	179.50	181.89
20 Other Operations Expense	382.66	339.18	373.69	342.06	363.66
21 Income Taxes - Operating Taxes	(54.86)	(61.36)	(74.34)	(47.34)	(55.29)
22 Other Taxes - Operating Taxes	53.32	53.43	55.93	57.59	56.31
23 Capital Costs	(74.21)	(69.82)	(114.59)	(58.64)	(84.53)
24 Total	1,090.16	1,104.58	1,113.11	1,154.94	1,150.45

Hancock Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,589,255	\$1,527,033	\$1,617,662	\$1,614,722	\$1,613,195	1
Central Office Assets	1,301,195	1,381,382	1,422,446	1,385,204	1,533,953	2
Information Origination/Termination	63,377	63,377	63,377	63,377	63,402	3
Cable And Wire Facilities	2,132,608	2,122,388	2,120,980	2,100,997	2,094,220	4
Amortizable Assets						5
Total Plant In Service	5,086,435	5,094,180	5,224,465	5,164,300	5,304,770	6
Property Held For Future Use						7
Plant Under Construction					357,589	8
Tel. Acquisition	72,459	72,459	72,459	72,459	72,459	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	5,158,894	5,166,639	5,296,924	5,236,759	5,734,818	13
Less Acc. Prov. For Depreciation & Amort.	4,018,939	4,015,865	3,885,735	3,629,725	3,937,556	14
Net Total Utility Plant	\$1,139,955	\$1,150,774	\$1,411,189	\$1,607,034	\$1,797,262	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.98	1.08	1.08	1.12	1.21	16
Total Capitalization	\$2,380,630	\$2,427,143	\$2,513,866	\$2,763,082	\$2,583,307	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.0%	1.2%	1.0%	2.9%	7.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	85.0%	82.6%	79.4%	77.8%	87.1%	20
Short-Term Debt	14.0%	16.2%	19.6%	19.3%	5.0%	21
Pretax Coverage of Interest Expense	-1.02	2.81	-10.14	-4.78	-5.35	22
Com. Stock Dividends as a % of Earnings					-18.6%	23
Return on Common Equity	0.9%	0.4%	-7.4%	-4.5%	-4.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-21.6%	4085.8%	60.4%	-189.5%	85.7%	25
CWIP as a % of Plant					6.2%	26

Current Assets	1,715,395	1,645,519	1,470,535	1,504,192	1,413,035
Current Liabilities	1,743,562	1,520,339	1,362,747	1,348,213	1,171,001
Total Capitalization	2,380,630	2,427,143	2,513,866	2,763,082	2,583,307
Long-Term Debt	22,882	29,767	25,041	80,751	203,867
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,023,876	2,004,955	1,997,000	2,149,452	2,249,193
Short-Term Debt	333,872	392,421	491,825	532,879	130,247
Pretax Income	(28,161)	(58,202)	(240,138)	(145,765)	(156,079)
Interest Expense	27,522	(20,694)	23,673	30,506	29,180
Common Dividends Paid					17,460
Net Income (Excl. Preferred Stock Dividends)	18,921	7,955	(152,452)	(99,741)	(93,730)
Internal Cash	(29,836)	205,311	46,187	(191,884)	342,843
Cash Outflows for Construction	(137,831)	(5,025)	(76,414)	(101,256)	(400,237)
CWIP					357,589
Total Plant	5,158,894	5,166,639	5,296,924	5,236,759	5,734,818
Shares Outstanding	873	873	873	873	873
Number of Employees	9	9	9	10	10

Margaretville Telephone Co., Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$46,934)	\$62,903	\$65,923	\$118,781	\$742,811	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	379,632	424,951	475,000	431,047	475,698	2
Changes in Deferred Income Taxes	49,046	(86,033)	(24,319)	1,848	45,469	3
Changes in Working Capital	(64,812)	440,908	(60,859)	(239,722)	(152,691)	4
Capitalized AFDC - Equity						5
Other	484,656	(255,568)	(16,390)	(47,111)	(719,272)	6
Total Non-Cash Items	848,522	524,258	373,432	146,062	(350,796)	7
Net Cash Provided From Operating Activities	<u>801,588</u>	<u>587,161</u>	<u>439,355</u>	<u>264,843</u>	<u>392,015</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(384,704)	(216,159)	(251,135)	(260,931)	(389,633)	9
Purchase of Other Investments	(79,623)	(83,361)	309,136	227,080	14,077	10
Sale of Other Investments	(1,396)	(3,784)	(3,586)	(1,284)	1,248	11
Other						12
Net Cash Provided From Investing Activities	<u>(465,723)</u>	<u>(303,304)</u>	<u>54,415</u>	<u>(35,135)</u>	<u>(374,308)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(24,334)	(23,164)	(31,859)	(81,127)	(77,571)	14
Common Stock	(227,500)	(227,500)	(618,703)	(300,000)		15
Preferred Stock						16
Short-Term Debt	(15,000)					17
Dividends Paid					(227,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(266,834)</u>	<u>(250,664)</u>	<u>(650,562)</u>	<u>(381,127)</u>	<u>(305,071)</u>	20
Net Increase (Decrease) in Cash & Equivalents	69,031	33,193	(156,792)	(151,419)	(287,364)	21
Cash & Equivalents at Beginning of Year	372,968	339,775	496,567	647,986	935,351	22
Cash & Equivalents at End of Year	\$441,999	\$372,968	\$339,775	\$496,567	\$647,986	23

Margaretville Telephone Co., Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,992,964	\$2,251,838	\$2,245,736	\$2,406,946	\$2,482,030
2 Access Lines	2,996	3,136	3,378	3,608	3,882
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,139,562	\$1,048,385	\$942,713	\$976,910	\$1,084,003
4 Depreciation and Amortization	369,461	414,780	464,658	420,705	473,546
5 Other Operations Expense	1,008,559	965,903	844,304	893,603	945,806
6 Total Operation Expenses	2,517,582	2,429,068	2,251,675	2,291,218	2,503,355
7 Income Taxes - Operating Taxes	(201,983)	(96,445)	(45,432)	(2,874)	(56,577)
8 Other Taxes - Operating Taxes	100,488	117,527	120,944	122,649	138,587
9 Capital Costs	(423,123)	(198,312)	(81,451)	(4,047)	(103,335)
10 Total	\$1,992,964	\$2,251,838	\$2,245,736	\$2,406,946	\$2,482,030
PERCENT OF REVENUES					
11 Wages and Benefits	57.2	46.6	42.0	40.6	43.7
12 Depreciation and Amortization	18.5	18.4	20.7	17.5	19.1
13 Other Operations Expense	50.6	42.9	37.6	37.1	38.1
14 Income Taxes - Operating Taxes	(10.1)	(4.3)	(2.0)	(0.1)	(2.3)
15 Other Taxes - Operating Taxes	5.0	5.2	5.4	5.1	5.6
16 Capital Costs	(21.2)	(8.8)	(3.6)	(0.2)	(4.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	380.36	334.31	279.07	270.76	279.24
19 Depreciation and Amortization	123.32	132.26	137.55	116.60	121.99
20 Other Operations Expense	336.64	308.00	249.94	247.67	243.64
21 Income Taxes - Operating Taxes	(67.42)	(30.75)	(13.45)	(0.80)	(14.57)
22 Other Taxes - Operating Taxes	33.54	37.48	35.80	33.99	35.70
23 Capital Costs	(141.23)	(63.24)	(24.11)	(1.12)	(26.62)
24 Total	665.21	718.06	664.81	667.11	639.37

Margaretville Telephone Co., Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,039,066	\$2,008,274	\$2,006,782	\$1,929,633	\$1,944,720	1
Central Office Assets	4,570,266	4,515,825	4,430,614	4,401,627	4,323,903	2
Information Origination/Termination	145,154	145,154	145,154	145,154	145,154	3
Cable And Wire Facilities	5,911,704	5,849,230	5,808,990	5,725,023	5,630,842	4
Amortizable Assets	290	290	290	290	290	5
Total Plant In Service	12,666,480	12,518,773	12,391,830	12,201,727	12,044,909	6
Property Held For Future Use						7
Plant Under Construction	202,153	4,095			2,019	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,868,633	12,522,868	12,391,830	12,201,727	12,046,928	13
Less Acc. Prov. For Depreciation & Amort.	10,756,208	10,415,885	10,073,838	9,649,813	9,326,696	14
Net Total Utility Plant	\$2,112,425	\$2,106,983	\$2,317,992	\$2,551,914	\$2,720,232	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.16	2.02	6.91	7.02	2.77	16
Total Capitalization	\$6,430,972	\$6,743,782	\$6,748,491	\$7,331,044	\$7,593,030	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	1.3%	1.6%	1.9%	2.2%	3.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	96.1%	95.7%	98.1%	97.8%	96.8%	20
Short-Term Debt	2.6%	2.7%				21
Pretax Coverage of Interest Expense	-85.31	-32.61	17.23	17.71	41.02	22
Com. Stock Dividends as a % of Earnings	-484.7%	361.7%	938.5%	252.6%	30.6%	23
Return on Common Equity	-0.7%	1.0%	1.0%	1.6%	10.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	208.4%	271.6%	174.9%	101.5%	100.6%	25
CWIP as a % of Plant	1.6%	0.0%			0.0%	26

Current Assets	1,013,550	1,031,410	1,084,615	1,191,852	1,481,825
Current Liabilities	320,704	509,864	156,852	169,796	534,012
Total Capitalization	6,430,972	6,743,782	6,748,491	7,331,044	7,593,030
Long-Term Debt	80,796	105,130	128,294	160,153	241,280
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,180,176	6,453,652	6,620,197	7,170,891	7,351,750
Short-Term Debt	170,000	185,000			
Pretax Income	(247,236)	(33,489)	20,370	122,160	705,949
Interest Expense	2,898	1,027	1,182	6,899	17,208
Common Dividends Paid	227,500	227,500	618,703	300,000	227,500
Net Income (Excl. Preferred Stock Dividends)	(46,934)	62,903	65,923	118,781	742,811
Internal Cash	801,588	587,161	439,355	264,842	392,015
Cash Outflows for Construction	(384,704)	(216,159)	(251,135)	(260,931)	(389,633)
CWIP	202,153	4,095			2,019
Total Plant	12,868,633	12,522,868	12,391,830	12,201,727	12,046,928
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	19	17	18	17	17

Middleburgh Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$459,056)	(\$378,003)	(\$94,619)	(\$112,647)	(\$142,570)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,262,745	1,046,050	753,774	867,453	920,907	2
Changes in Deferred Income Taxes	(238,837)	(225,050)	15,787	92,856	164,187	3
Changes in Working Capital	163,676	397,246	147,225	27,519	(275,789)	4
Capitalized AFDC - Equity						5
Other	76,462	166,190	176,607	104,762	42,649	6
Total Non-Cash Items	1,264,046	1,384,436	1,093,393	1,092,590	851,954	7
Net Cash Provided From Operating Activities	<u>804,990</u>	<u>1,006,433</u>	<u>998,774</u>	<u>979,943</u>	<u>709,384</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(563,983)	(1,062,482)	(1,218,047)	(1,126,897)	(775,500)	9
Purchase of Other Investments	30,000					10
Sale of Other Investments	2,658	10,456	(16,252)	5,123	4,816	11
Other						12
Net Cash Provided From Investing Activities	<u>(531,325)</u>	<u>(1,052,026)</u>	<u>(1,234,299)</u>	<u>(1,121,774)</u>	<u>(770,684)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(83,967)	(77,929)	(72,323)	(284,866)	(271,148)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(67,788)	(98,600)	(98,600)	(98,600)	(98,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(151,755)</u>	<u>(176,529)</u>	<u>(170,923)</u>	<u>(383,466)</u>	<u>(369,748)</u>	20
Net Increase (Decrease) in Cash & Equivalents	121,910	(222,122)	(406,448)	(525,297)	(431,048)	21
Cash & Equivalents at Beginning of Year	957,408	1,179,530	1,585,978	2,111,275	2,542,323	22
Cash & Equivalents at End of Year	\$1,079,318	\$957,408	\$1,179,530	\$1,585,978	\$2,111,275	23

Middleburgh Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,272,373	\$4,259,778	\$4,433,141	\$4,569,064	\$4,670,397
2 Access Lines	5,453	5,407	5,846	6,038	6,376
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,950,391	\$2,059,496	\$2,114,713	\$2,114,856	\$2,101,875
4 Depreciation and Amortization	1,262,182	1,045,487	753,199	841,381	920,907
5 Other Operations Expense	1,094,535	1,075,531	979,977	1,017,626	1,064,024
6 Total Operation Expenses	4,307,108	4,180,514	3,847,889	3,973,863	4,086,806
7 Income Taxes - Operating Taxes	(124,435)	(88,131)	64,639	73,993	56,570
8 Other Taxes - Operating Taxes	315,301	310,904	301,695	310,325	319,357
9 Capital Costs	(225,601)	(143,509)	218,918	210,883	207,664
10 Total	\$4,272,373	\$4,259,778	\$4,433,141	\$4,569,064	\$4,670,397
PERCENT OF REVENUES					
11 Wages and Benefits	45.7	48.3	47.7	46.3	45.0
12 Depreciation and Amortization	29.5	24.5	17.0	18.4	19.7
13 Other Operations Expense	25.6	25.2	22.1	22.3	22.8
14 Income Taxes - Operating Taxes	(2.9)	(2.1)	1.5	1.6	1.2
15 Other Taxes - Operating Taxes	7.4	7.3	6.8	6.8	6.8
16 Capital Costs	(5.3)	(3.4)	4.9	4.6	4.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	357.67	380.89	361.74	350.26	329.65
19 Depreciation and Amortization	231.47	193.36	128.84	139.35	144.43
20 Other Operations Expense	200.72	198.91	167.63	168.54	166.88
21 Income Taxes - Operating Taxes	(22.82)	(16.30)	11.06	12.25	8.87
22 Other Taxes - Operating Taxes	57.82	57.50	51.61	51.40	50.09
23 Capital Costs	(41.37)	(26.54)	37.45	34.93	32.57
24 Total	783.49	787.83	758.32	756.72	732.50

**Middleburgh Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,600,790	\$3,577,113	\$3,556,657	\$3,455,598	\$3,385,012	1
Central Office Assets	8,307,385	8,141,733	7,944,444	7,144,469	6,928,713	2
Information Origination/Termination	64,912	65,524	67,071	67,832	69,264	3
Cable And Wire Facilities	11,942,787	11,763,946	11,236,945	11,050,186	10,864,426	4
Amortizable Assets						5
Total Plant In Service	23,915,874	23,548,316	22,805,117	21,718,085	21,247,415	6
Property Held For Future Use						7
Plant Under Construction	230,605	359,444	443,639	467,618	53,970	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,146,429	23,907,710	23,248,706	22,185,653	21,301,335	13
Less Acc. Prov. For Depreciation & Amort.	19,493,098	18,516,868	17,847,674	17,136,424	16,510,528	14
Net Total Utility Plant	\$4,653,331	\$5,390,842	\$5,401,032	\$5,049,229	\$4,790,807	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.61	4.04	12.10	10.20	18.66	16
Total Capitalization	\$8,167,456	\$8,753,617	\$9,308,149	\$9,573,691	\$10,069,804	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	11.8%	12.0%	12.1%	12.5%	14.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	88.2%	88.0%	87.9%	87.5%	85.3%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-12.41	-7.02	0.14	0.20	0.19	22
Com. Stock Dividends as a % of Earnings	-9.4%	-26.1%	-104.2%	-87.5%	-69.2%	23
Return on Common Equity	-6.2%	-4.8%	-1.1%	-1.3%	-1.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	142.7%	94.7%	82.0%	87.0%	91.5%	25
CWIP as a % of Plant	1.0%	1.5%	1.9%	2.1%	0.3%	26

Current Assets	1,975,359	2,007,741	2,389,302	2,933,408	3,414,352
Current Liabilities	547,127	496,660	197,406	287,627	182,964
Total Capitalization	8,167,456	8,753,617	9,308,149	9,573,691	10,069,804
Long-Term Debt	964,877	1,048,844	1,126,773	1,199,096	1,483,962
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,202,579	7,704,773	8,181,376	8,374,595	8,585,842
Short-Term Debt					
Pretax Income	(579,108)	(443,873)	13,085	22,254	33,275
Interest Expense	46,678	63,246	91,917	111,893	171,965
Common Dividends Paid	43,138	98,600	98,600	98,600	98,600
Net Income (Excl. Preferred Stock Dividends)	(459,056)	(378,003)	(94,619)	(112,647)	(142,570)
Internal Cash	804,990	1,006,433	998,774	979,943	709,384
Cash Outflows for Construction	(563,983)	(1,062,482)	(1,218,047)	(1,126,897)	(775,500)
CWIP	230,605	359,444	443,639	467,618	53,970
Total Plant	24,146,429	23,907,710	23,248,706	22,185,653	21,301,335
Shares Outstanding	580	580	580	580	580
Number of Employees	30	30	32	35	36

Verizon Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$1,762,783,931)	(\$1,638,090,791)	(\$1,484,168,850)	(\$591,174,690)	(\$860,599,054)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,172,416,444	1,213,505,532	1,217,966,993	1,229,000,198	1,333,465,921	2
Changes in Deferred Income Taxes	(403,772,011)	(376,559,295)	91,524,748	125,181,991	(181,696,747)	3
Changes in Working Capital	(317,670,099)	(235,726,795)	(58,124,000)	(108,720,527)	(287,495,633)	4
Capitalized AFDC - Equity						5
Other	768,493,976	1,338,773,118	1,471,761,988	219,939,052	419,042,839	6
Total Non-Cash Items	1,219,468,310	1,939,992,560	2,723,129,730	1,465,400,714	1,283,316,379	7
Net Cash Provided From Operating Activities	<u>(543,315,621)</u>	<u>301,901,769</u>	<u>1,238,960,880</u>	<u>874,226,024</u>	<u>422,717,325</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)	(1,369,455,620)	9
Purchase of Other Investments			(243,900)	(2,877,094)	1,383,730	10
Sale of Other Investments	9,696,000	31,703,000	64,649,720	53,638,000	(55,269,478)	11
Other	(10,306,625)	(6,996,430)	(10,799,820)	(79,173,000)		12
Net Cash Provided From Investing Activities	<u>(1,141,217,769)</u>	<u>(1,112,705,685)</u>	<u>(1,150,229,048)</u>	<u>(1,332,970,081)</u>	<u>(1,423,341,368)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(1,000,000,000)	(400,000,000)		(250,000,000)	14
Common Stock					6,938	15
Preferred Stock						16
Short-Term Debt	1,695,377,318	1,818,684,493	318,184,404	451,691,329	785,343,805	17
Dividends Paid						18
Other Financing	(3,705,039)	(2,615,124)	(6,916,237)	7,052,729	465,273,302	19
Net Cash Provided From Financing Activities	<u>1,691,672,278</u>	<u>816,069,369</u>	<u>(88,731,833)</u>	<u>457,771,844</u>	<u>534,180,601</u>	20
Net Increase (Decrease) in Cash & Equivalents	7,138,888	5,265,453	(1)	(972,213)	(466,443,441)	21
Cash & Equivalents at Beginning of Year	5,265,453	(0)	1	1,231,034	467,674,475	22
Cash & Equivalents at End of Year	\$12,404,341	\$5,265,453	(\$0)	\$258,820	\$1,231,034	23

Verizon Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679	\$5,453,306,123
2 Access Lines	3,533,025	4,116,624	4,665,881	5,277,272	5,992,778
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,230,648,523	\$4,102,532,586	\$3,975,787,157	\$2,936,291,598	\$2,904,729,672
4 Depreciation and Amortization	1,172,416,444	1,213,505,532	1,217,966,993	1,229,000,198	1,333,465,921
5 Other Operations Expense	2,253,537,937	2,073,097,107	2,046,021,754	2,127,242,426	1,974,468,596
6 Total Operation Expenses	7,656,602,903	7,389,135,225	7,239,775,904	6,292,534,222	6,212,664,189
7 Income Taxes - Operating Taxes	(1,215,871,315)	(1,067,172,236)	(986,825,930)	(677,380,007)	(541,454,956)
8 Other Taxes - Operating Taxes	409,103,078	463,372,993	420,077,795	450,691,662	466,543,046
9 Capital Costs	(1,810,825,459)	(1,763,503,797)	(1,690,682,996)	(889,889,198)	(684,446,156)
10 Total	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679	\$5,453,306,123
PERCENT OF REVENUES					
11 Wages and Benefits	84.0	81.7	79.8	56.7	53.3
12 Depreciation and Amortization	23.3	24.2	24.4	23.7	24.5
13 Other Operations Expense	44.7	41.3	41.1	41.1	36.2
14 Income Taxes - Operating Taxes	(24.1)	(21.3)	(19.8)	(13.1)	(9.9)
15 Other Taxes - Operating Taxes	8.1	9.2	8.4	8.7	8.6
16 Capital Costs	(35.9)	(35.1)	(33.9)	(17.2)	(12.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,197.46	996.58	852.10	556.40	484.71
19 Depreciation and Amortization	331.84	294.78	261.04	232.89	222.51
20 Other Operations Expense	637.85	503.59	438.51	403.10	329.47
21 Income Taxes - Operating Taxes	(344.14)	(259.23)	(211.50)	(128.36)	(90.35)
22 Other Taxes - Operating Taxes	115.79	112.56	90.03	85.40	77.85
23 Capital Costs	(512.54)	(428.39)	(362.35)	(168.63)	(114.21)
24 Total	1,426.26	1,219.89	1,067.83	980.80	909.98

Notes:

(1) In 1996 and 1997, New York Tel's expenses increased primarily due to the cost related to pension enhancements, and various tax, benefit and legal obligations (\$523M in 1994; \$519M in 1995; \$100M in 1996; and \$263M in 1997 - pretax).

(2) New York Telephone's expenses increased in 1997 by \$397M due to the costs related to consolidations and the merger with Bell Atlantic.

Verizon Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,292,526,951	\$3,311,665,669	\$3,362,887,657	\$3,457,685,558	\$3,493,101,498	1
Central Office Assets	9,432,087,428	9,235,659,759	11,298,110,583	11,634,028,203	11,544,489,127	2
Information Origination/Termination	192,173,401	189,115,838	257,751,813	326,827,625	376,661,037	3
Cable And Wire Facilities	13,017,851,853	15,841,309,270	14,197,055,055	15,358,946,511	14,606,858,045	4
Amortizable Assets	938,079,195	907,063,296	283,809,331	311,500,828	321,423,702	5
Total Plant In Service	26,872,718,827	29,484,813,832	29,399,614,439	31,088,988,725	30,342,533,410	6
Property Held For Future Use					1,757,345	7
Plant Under Construction	266,985,753	309,454,674	270,657,792	216,957,298	181,377,665	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,697,644	9,429,471	15,397,450	13,007,288	16,435,541	11
Goodwill						12
Total Telecommunications Plant	27,142,402,223	29,803,697,977	29,685,669,681	31,318,953,310	30,542,103,962	13
Less Acc. Prov. For Depreciation & Amort.	16,654,671,344	19,187,261,951	19,126,125,850	20,840,004,083	20,202,690,440	14
Net Total Utility Plant	\$10,487,730,879	\$10,616,436,026	\$10,559,543,832	\$10,478,949,227	\$10,339,413,522	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.13	0.16	0.21	0.22	0.34	16
Total Capitalization	\$4,177,631,362	\$4,318,817,262	\$5,017,865,064	\$6,723,324,529	\$6,703,395,963	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	25.1%	29.0%	44.9%	33.5%	39.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	-100.7%	-54.9%	-17.0%	11.5%	18.0%	20
Short-Term Debt	175.6%	125.9%	72.1%	55.1%	42.5%	21
Pretax Coverage of Interest Expense	-8.38	-7.92	-6.20	-3.27	-3.73	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	53.6%	101.6%	3612.3%	-59.9%	-52.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-47.6%	26.5%	102.9%	67.0%	30.9%	25
CWIP as a % of Plant	1.0%	1.0%	0.9%	0.7%	0.6%	26

Current Assets	1,025,188,884	967,117,679	970,776,212	1,061,263,345	1,467,431,405
Current Liabilities	7,659,890,320	5,994,294,183	4,614,761,501	4,806,996,212	4,363,676,084
Total Capitalization	4,177,631,362	4,318,817,262	5,017,865,064	6,723,324,529	6,703,395,963
Long-Term Debt	1,049,886,042	1,250,713,781	2,250,735,680	2,251,102,617	2,649,688,104
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(4,206,159,390)	(2,370,554,036)	(852,802,724)	770,630,761	1,203,798,402
Short-Term Debt	7,333,904,710	5,438,657,517	3,619,932,108	3,701,591,151	2,849,909,457
Pretax Income	(2,685,843,337)	(2,401,271,531)	(2,114,458,214)	(962,842,087)	(1,101,597,409)
Interest Expense	320,324,314	303,059,066	341,143,136	294,758,451	295,536,035
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(1,762,783,931)	(1,638,090,791)	(1,484,168,850)	(591,174,690)	(860,599,054)
Internal Cash	(543,315,621)	301,901,769	1,238,960,880	874,226,024	422,717,325
Cash Outflows for Construction	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)	(1,369,455,620)
CWIP	266,985,752	309,454,674	270,657,792	216,957,298	181,377,665
Total Plant	27,142,402,222	29,803,697,975	29,685,669,681	31,318,953,310	30,542,103,962
Shares Outstanding	1	1	1	1	1
Number of Employees	15,440	16,223	16,397	19,673	20,548

Newport Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$81,900	\$122,203	(\$276,516)	(\$331,421)	\$368,490	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	324,527	407,179	\$513,969	591,808	612,513	2
Changes in Deferred Income Taxes	(13,311)	15,823	(42,935)	(29,970)	227,896	3
Changes in Working Capital	(405,341)	409,984	137,153	(452,405)	(61,510)	4
Capitalized AFDC - Equity						5
Other	327,395	(238,229)	76,635	(197,966)	(784,097)	6
Total Non-Cash Items	233,270	594,757	684,822	(88,533)	(5,198)	7
Net Cash Provided From Operating Activities	<u>315,170</u>	<u>716,960</u>	<u>408,306</u>	<u>(419,954)</u>	<u>363,292</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(211,421)	(190,985)	(182,098)	(185,359)	(432,320)	9
Purchase of Other Investments	(171,849)	(792,696)	(293,526)	(274,465)	(1,585,789)	10
Sale of Other Investments	212,456	311,560	303,507	953,389	1,484,383	11
Other						12
Net Cash Provided From Investing Activities	<u>(170,814)</u>	<u>(672,121)</u>	<u>(172,117)</u>	<u>493,565</u>	<u>(533,726)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(78,500)	(78,500)	(53,095)	(37,551)	(35,597)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(78,500)</u>	<u>(78,500)</u>	<u>(53,095)</u>	<u>(37,551)</u>	<u>(35,597)</u>	20
Net Increase (Decrease) in Cash & Equivalents	65,856	(33,661)	183,094	36,060	(206,031)	21
Cash & Equivalents at Beginning of Year	345,011	378,672	195,578	159,518	365,549	22
Cash & Equivalents at End of Year	\$410,867	\$345,011	\$378,672	\$195,578	\$159,518	23

Newport Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,453,642	\$2,636,847	\$2,540,848	\$2,524,657	\$2,922,394
2 Access Lines	2,687	2,812	2,987	3,147	3,267
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,529,985	\$1,515,539	\$1,442,021	\$1,493,698	\$1,485,758
4 Depreciation and Amortization	324,311	406,963	511,246	563,765	588,068
5 Other Operations Expense	729,714	691,749	733,077	784,829	380,355
6 Total Operation Expenses	2,584,010	2,614,251	2,686,344	2,842,292	2,454,181
7 Income Taxes - Operating Taxes	(102,771)	(51,570)	(108,054)	(211,335)	43,995
8 Other Taxes - Operating Taxes	141,549	144,176	168,103	174,985	172,104
9 Capital Costs	(169,146)	(70,010)	(205,545)	(281,285)	252,114
10 Total	\$2,453,642	\$2,636,847	\$2,540,848	\$2,524,657	\$2,922,394
PERCENT OF REVENUES					
11 Wages and Benefits	62.4	57.5	56.8	59.2	50.8
12 Depreciation and Amortization	13.2	15.4	20.1	22.3	20.1
13 Other Operations Expense	29.7	26.2	28.9	31.1	13.0
14 Income Taxes - Operating Taxes	(4.2)	(2.0)	(4.3)	(8.4)	1.5
15 Other Taxes - Operating Taxes	5.8	5.5	6.6	6.9	5.9
16 Capital Costs	(6.9)	(2.7)	(8.1)	(11.1)	8.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	569.40	538.95	482.77	474.64	454.78
19 Depreciation and Amortization	120.70	144.72	171.16	179.14	180.00
20 Other Operations Expense	271.57	246.00	245.42	249.39	116.42
21 Income Taxes - Operating Taxes	(38.25)	(18.34)	(36.17)	(67.15)	13.47
22 Other Taxes - Operating Taxes	52.68	51.27	56.28	55.60	52.68
23 Capital Costs	(62.95)	(24.90)	(68.81)	(89.38)	77.17
24 Total	913.15	937.71	850.64	802.24	894.52

Newport Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,608,044	\$2,657,712	\$2,662,111	\$2,680,058	\$2,680,058	1
Central Office Assets	3,220,763	3,197,373	3,159,974	3,120,567	2,978,869	2
Information Origination/Termination	81,258	82,387	83,613	85,061	86,816	3
Cable And Wire Facilities	5,523,008	5,428,657	5,321,102	5,237,149	5,171,167	4
Amortizable Assets	45	45	45	45	45	5
Total Plant In Service	11,433,118	11,366,174	11,226,845	11,122,880	10,916,955	6
Property Held For Future Use						7
Plant Under Construction	48,713	31,788	46,095	30,436	70,137	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,481,831	11,397,962	11,272,940	11,153,316	10,987,092	13
Less Acc. Prov. For Depreciation & Amort.	9,154,575	8,932,359	8,576,991	8,101,865	7,533,546	14
Net Total Utility Plant	\$2,327,256	\$2,465,603	\$2,695,949	\$3,051,451	\$3,453,546	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	13.89	1.51	6.05	-9.97	0.92	16
Total Capitalization	\$4,149,294	\$4,500,607	\$4,241,557	\$4,533,378	\$4,945,639	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	14.3%	15.0%	17.7%	17.8%	17.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	85.7%	85.0%	82.3%	82.2%	83.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.88	3.87	-6.46	-7.69	5.27	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	2.2%	3.3%	-7.7%	-8.5%	9.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	149.1%	375.4%	224.2%	-226.6%	84.0%	25
CWIP as a % of Plant	0.4%	0.3%	0.4%	0.3%	0.6%	26

Current Assets	695,762	648,224	718,253	550,811	527,331
Current Liabilities	50,088	428,418	118,714	(55,241)	571,502
Total Capitalization	4,149,294	4,500,607	4,241,557	4,533,378	4,945,639
Long-Term Debt	595,292	673,792	752,292	805,387	842,938
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,554,002	3,826,815	3,489,265	3,727,991	4,102,701
Short-Term Debt					
Pretax Income	23,029	114,048	(327,638)	(498,391)	448,547
Interest Expense	26,313	29,481	50,738	64,847	85,150
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	81,900	122,203	(276,516)	(331,421)	368,490
Internal Cash	315,170	716,960	408,306	(419,954)	363,292
Cash Outflows for Construction	(211,421)	(190,985)	(182,098)	(185,359)	(432,320)
CWIP	48,713	31,788	46,095	30,436	70,137
Total Plant	11,481,831	11,397,962	11,272,940	11,153,316	10,987,092
Shares Outstanding	23	23	23	23	23
Number of Employees	20	20	20	20	23

Nicholville Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$279,365)	(\$637,654)	(\$13,909)	(\$227,115)	(\$121,323)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	284,829	284,999	290,941	299,350	445,273	2
Changes in Deferred Income Taxes	(243,705)	(249,465)	(168,238)	(291,898)	1,963	3
Changes in Working Capital	(129,073)	(106,836)	264,186	845,153	(9,423)	4
Capitalized AFDC - Equity						5
Other	58,020	446,677	(54,657)	15,410	(187,623)	6
Total Non-Cash Items	(29,929)	375,375	332,232	868,015	250,190	7
Net Cash Provided From Operating Activities	<u>(309,294)</u>	<u>(262,279)</u>	<u>318,323</u>	<u>640,900</u>	<u>128,867</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(64,223)	(28,356)	(82,982)	(49,231)	(348,421)	9
Purchase of Other Investments	(355,710)	15,426	(10,209)	(588,362)	63,916	10
Sale of Other Investments		1,723	13,725			11
Other						12
Net Cash Provided From Investing Activities	<u>(419,933)</u>	<u>(11,207)</u>	<u>(79,466)</u>	<u>(637,593)</u>	<u>(284,505)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(19,195)	(180,146)	(241,363)	(226,692)	(212,970)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	902,820	(18,503)	22,685	(10,134)	(26,774)	17
Dividends Paid	(6,000)	(7,034)	(8,067)	(8,067)	(8,067)	18
Other Financing	(186,518)	393,124				19
Net Cash Provided From Financing Activities	<u>691,107</u>	<u>187,441</u>	<u>(226,745)</u>	<u>(244,893)</u>	<u>(247,811)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(38,120)	(86,045)	12,112	(241,586)	(403,449)	21
Cash & Equivalents at Beginning of Year	42,053	128,098	115,986	357,572	761,021	22
Cash & Equivalents at End of Year	\$3,933	\$42,053	\$128,098	\$115,986	\$357,572	23

Nicholville Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,461,087	\$1,746,260	\$2,157,188	\$2,277,533	\$2,457,366
2 Access Lines	1,313	1,419	1,556	1,706	1,865
DOLLAR AMOUNTS					
3 Wages and Benefits	\$667,280	\$565,501	\$1,036,957	\$1,227,171	\$1,284,388
4 Depreciation and Amortization	261,668	257,511	259,412	265,627	410,645
5 Other Operations Expense	654,091	973,465	727,037	815,898	896,038
6 Total Operation Expenses	1,583,039	1,796,477	2,023,406	2,308,696	2,591,071
7 Income Taxes - Operating Taxes	(125,774)	(99,166)	(54,461)	(104,313)	(119,544)
8 Other Taxes - Operating Taxes	125,670	133,788	139,883	151,966	147,005
9 Capital Costs	(121,848)	(84,840)	48,360	(78,816)	(\$161,166)
10 Total	\$1,461,087	\$1,746,260	\$2,157,188	\$2,277,533	\$2,457,366
PERCENT OF REVENUES					
11 Wages and Benefits	45.7	32.4	48.1	53.9	52.3
12 Depreciation and Amortization	17.9	14.7	12.0	11.7	16.7
13 Other Operations Expense	44.8	55.7	33.7	35.8	36.5
14 Income Taxes - Operating Taxes	(8.6)	(5.7)	(2.5)	(4.6)	(4.9)
15 Other Taxes - Operating Taxes	8.6	7.7	6.5	6.7	6.0
16 Capital Costs	(8.3)	(4.9)	2.2	(3.5)	(6.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	508.21	398.52	666.42	719.33	688.68
19 Depreciation and Amortization	199.29	181.47	166.72	155.70	220.19
20 Other Operations Expense	498.17	686.02	467.25	478.25	480.45
21 Income Taxes - Operating Taxes	(95.79)	(69.88)	(35.00)	(61.14)	(64.10)
22 Other Taxes - Operating Taxes	95.71	94.28	89.90	89.08	78.82
23 Capital Costs	(92.80)	(59.79)	31.08	(46.20)	(86.42)
24 Total	1,112.79	1,230.63	1,386.37	1,335.01	1,317.62

Nicholville Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,908,462	\$2,851,753	\$2,866,695	\$2,997,056	\$2,970,852	1
Central Office Assets	1,771,251	1,771,251	1,766,772	1,786,517	3,214,924	2
Information Origination/Termination	205,230	205,230	205,230	205,230	207,958	3
Cable And Wire Facilities	5,033,700	5,031,315	5,012,230	4,972,331	4,961,191	4
Amortizable Assets	150	150	150	150	150	5
Total Plant In Service	9,918,793	9,859,699	9,851,077	9,961,285	11,355,075	6
Property Held For Future Use						7
Plant Under Construction	2,241	588	1,128	27,666	11,508	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,921,034	9,860,287	9,852,205	9,988,951	11,366,583	13
Less Acc. Prov. For Depreciation & Amort.	8,135,383	7,844,470	7,573,937	7,491,166	8,647,472	14
Net Total Utility Plant	\$1,785,650	\$2,015,817	\$2,278,268	\$2,497,785	\$2,719,111	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.46	0.83	0.76	1.02	3.52	16
Total Capitalization	\$2,886,591	\$2,474,849	\$2,925,064	\$3,165,718	\$3,659,026	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	38.8%	46.4%	45.0%	47.4%	47.6%	18
Preferred Stock	3.5%	4.0%	3.4%	3.2%	2.7%	19
Common Stock & Retained Earnings	19.2%	41.5%	43.7%	41.1%	42.5%	20
Short-Term Debt	38.5%	8.1%	7.9%	8.4%	7.1%	21
Pretax Coverage of Interest Expense	-2.56	-6.59	0.47	-1.56	-0.45	22
Com. Stock Dividends as a % of Earnings		-0.2%	-10.4%	-0.9%	-1.6%	23
Return on Common Equity	-36.1%	-55.8%	-1.5%	-16.3%	-7.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-481.6%	-924.9%	383.6%	1301.8%	37.0%	25
CWIP as a % of Plant	0.0%	0.0%	0.0%	0.3%	0.1%	26

Current Assets	849,378	828,294	687,668	625,151	1,597,013
Current Liabilities	1,862,869	1,001,355	910,728	611,056	453,391
Total Capitalization	2,886,591	2,474,849	2,925,064	3,165,718	3,659,026
Long-Term Debt	1,119,713	1,148,343	1,316,784	1,498,984	1,741,894
Preferred Stock	100,000	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	554,840	1,026,724	1,278,290	1,300,266	1,556,749
Short-Term Debt	1,112,037	199,782	229,990	266,468	260,383
Pretax Income	(292,234)	(640,176)	59,631	(200,916)	(72,071)
Interest Expense	113,962	97,076	125,740	128,662	161,465
Common Dividends Paid		1,034	2,067	2,067	2,067
Net Income (Excl. Preferred Stock Dividends)	(285,365)	(643,654)	(19,909)	(233,115)	(127,323)
Internal Cash	(309,294)	(262,279)	318,323	640,900	128,867
Cash Outflows for Construction	(64,223)	(28,356)	(82,982)	(49,231)	(348,421)
CWIP	2,241	588	1,128	27,666	11,508
Total Plant	9,921,034	9,860,287	9,852,205	9,988,951	11,366,583
Shares Outstanding	689	689	689	689	689
Number of Employees	16	14	16	17	17

Ogden Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$553,167	\$264,554	\$568,674	\$1,501,054	\$1,972,992	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,957,206	2,158,526	2,128,298	2,095,799	2,079,198	2
Changes in Deferred Income Taxes	(78,672)	(78,672)	(78,672)	164,329	323,689	3
Changes in Working Capital	3,300,683	1,354,927	398,933	408,710	(947,123)	4
Capitalized AFDC - Equity						5
Other	(357,468)	(145,936)	(672,113)	(628,873)	(1,250,390)	6
Total Non-Cash Items	4,821,749	3,288,845	1,776,447	2,039,966	205,374	7
Net Cash Provided From Operating Activities	<u>5,374,916</u>	<u>3,553,399</u>	<u>2,345,121</u>	<u>3,541,020</u>	<u>2,178,366</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(667,553)	(588,896)	(519,557)	(704,079)	(986,135)	9
Purchase of Other Investments	(4,564,216)	(2,383,585)	(1,813,512)	(2,805,521)	(1,009,525)	10
Sale of Other Investments						11
Other		(56,706)	(58,490)	(101,597)	(224,132)	12
Net Cash Provided From Investing Activities	<u>(5,231,769)</u>	<u>(3,029,187)</u>	<u>(2,391,559)</u>	<u>(3,611,197)</u>	<u>(2,219,792)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(143,148)	(522,681)	49,946	46,399	44,838	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(143,148)</u>	<u>(522,681)</u>	<u>49,946</u>	<u>46,399</u>	<u>44,838</u>	20
Net Increase (Decrease) in Cash & Equivalents	1	1,532	3,509	(23,778)	3,412	21
Cash & Equivalents at Beginning of Year	(0)	(1,532)	(5,041)	18,736	15,325	22
Cash & Equivalents at End of Year	\$0	(\$0)	(\$1,532)	(\$5,041)	\$18,736	23

Ogden Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$7,435,614	\$7,626,528	\$8,019,602	\$8,773,815	\$8,515,619
2 Access Lines	9,947	11,046	12,225	13,484	14,723
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,142,841	\$1,073,687	\$1,091,261	\$1,074,064	\$973,887
4 Depreciation and Amortization	2,076,675	2,158,526	2,128,298	2,095,799	2,079,198
5 Other Operations Expense	2,748,121	3,539,533	3,251,254	2,425,845	2,222,234
6 Total Operation Expenses	5,967,636	6,771,746	6,470,813	5,595,709	5,275,319
7 Income Taxes - Operating Taxes	8,206	(103,734)	26,752	638,431	1,094,237
8 Other Taxes - Operating Taxes	611,984	450,356	627,711	689,284	673,155
9 Capital Costs	847,788	508,160	894,326	1,850,391	1,472,908
10 Total	\$7,435,614	\$7,626,528	\$8,019,602	\$8,773,815	\$8,515,619
PERCENT OF REVENUES					
11 Wages and Benefits	15.4	14.1	13.6	12.2	11.4
12 Depreciation and Amortization	27.9	28.3	26.5	23.9	24.4
13 Other Operations Expense	37.0	46.4	40.5	27.6	26.1
14 Income Taxes - Operating Taxes	0.1	(1.4)	0.3	7.3	12.8
15 Other Taxes - Operating Taxes	8.2	5.9	7.8	7.9	7.9
16 Capital Costs	11.4	6.7	11.2	21.1	17.3
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	114.89	97.20	89.26	79.65	66.15
19 Depreciation and Amortization	208.77	195.41	174.09	155.43	141.22
20 Other Operations Expense	276.28	320.44	265.95	179.91	150.94
21 Income Taxes - Operating Taxes	0.83	(9.39)	2.19	47.35	74.32
22 Other Taxes - Operating Taxes	61.52	40.77	51.35	51.12	45.72
23 Capital Costs	85.23	46.00	73.16	137.23	100.04
24 Total	747.52	690.43	656.00	650.68	578.39

Ogden Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,196,387	\$3,262,443	\$3,268,439	\$3,260,102	\$3,292,234	1
Central Office Assets	20,750,031	20,424,002	20,133,459	19,838,454	19,621,585	2
Information Origination/Termination	134,009	134,008	134,008	134,008	134,008	3
Cable And Wire Facilities	24,029,761	23,484,253	23,202,493	22,938,735	22,387,806	4
Amortizable Assets						5
Total Plant In Service	48,110,187	47,304,706	46,738,399	46,171,299	45,435,633	6
Property Held For Future Use						7
Plant Under Construction	176,560	314,487	291,899	339,440	371,028	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	48,286,747	47,619,193	47,030,298	46,510,739	45,806,661	13
Less Acc. Prov. For Depreciation & Amort.	39,885,623	37,928,414	35,826,594	33,756,769	31,762,567	14
Net Total Utility Plant	\$8,401,124	\$9,690,779	\$11,203,704	\$12,753,970	\$14,044,094	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.28	0.54	0.76	0.97	1.19	16
Total Capitalization	\$32,552,801	\$32,502,259	\$32,908,082	\$32,969,960	\$32,063,459	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt		1.1%	1.5%	3.6%	5.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	98.5%	96.4%	94.5%	92.5%	20
Short-Term Debt		0.4%	2.0%	1.9%	1.9%	21
Pretax Coverage of Interest Expense	62.99	6.72	8.67	17.59	21.32	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.7%	0.8%	1.8%	4.9%	6.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	929.9%	722.4%	591.9%	597.3%	279.9%	25
CWIP as a % of Plant	0.4%	0.7%	0.6%	0.7%	0.8%	26

Current Assets	1,727,791	1,589,578	1,597,088	2,059,585	2,493,566
Current Liabilities	6,216,652	2,921,099	2,102,217	2,129,618	2,094,979
Total Capitalization	32,552,801	32,502,259	32,908,082	32,969,960	32,063,459
Long-Term Debt		359,477	502,624	1,172,862	1,803,554
Preferred Stock					-
Common Stock and Retained Earnings (Excl. Preferred Stock)	32,552,801	31,999,634	31,735,079	31,166,405	29,665,351
Short-Term Debt		143,148	670,379	630,693	594,553
Pretax Income	846,628	407,340	920,000	2,499,663	3,218,140
Interest Expense	13,441	60,596	106,132	142,130	150,911
Common Dividends Paid					-
Net Income (Excl. Preferred Stock Dividends)	553,167	264,553	568,674	1,501,055	1,972,992
Internal Cash	6,207,465	4,254,208	3,075,391	4,205,753	2,759,755
Cash Outflows for Construction	(667,553)	(588,896)	(519,557)	(704,079)	(986,135)
CWIP	176,560	314,487	291,899	339,440	371,029
Total Plant	48,286,747	47,619,193	47,030,298	46,510,741	45,806,661
Shares Outstanding	131,026	131,026	131,026	131,026	131,026
Number of Employees	10	14	15	15	15

Oneida County Rural Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$67,053)	\$211,035	\$146,937	(\$135,817)	(\$172,718)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	592,119	578,687	599,794	606,765	711,120	2
Changes in Deferred Income Taxes	281,313	(1,399)	77,363	(32,734)	73,378	3
Changes in Working Capital	(284,344)	(92,645)	(51,092)	100,202	(516,649)	4
Capitalized AFDC - Equity						5
Other	(248,630)	(165,517)	(161,638)	7,734	108,730	6
Total Non-Cash Items	340,458	319,126	464,427	681,967	376,579	7
Net Cash Provided From Operating Activities	<u>273,405</u>	<u>530,161</u>	<u>611,364</u>	<u>546,150</u>	<u>203,861</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(528,455)	(356,000)	(165,484)	(27,176)	(211,467)	9
Purchase of Other Investments	(604,293)	(1,967,155)	(568,998)	(664,594)	(705,539)	10
Sale of Other Investments	399,756	1,660,086	311,241	389,057	331,210	11
Other	773,850					12
Net Cash Provided From Investing Activities	<u>40,858</u>	<u>(663,069)</u>	<u>(423,241)</u>	<u>(302,713)</u>	<u>(585,796)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	70,141	(338,593)	(208,051)		(704,121)	14
Common Stock				(100)		15
Preferred Stock	(5,000)	(200)	(1,400)	(608,024)		16
Short-Term Debt						17
Dividends Paid	(3,588)	(3,786)	(3,813)	(3,888)	(3,888)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>61,553</u>	<u>(342,579)</u>	<u>(213,264)</u>	<u>(612,012)</u>	<u>(708,009)</u>	20
Net Increase (Decrease) in Cash & Equivalents	375,816	(475,487)	(25,141)	(368,575)	(1,089,944)	21
Cash & Equivalents at Beginning of Year	538,817	1,014,304	1,039,444	1,408,019	2,497,963	22
Cash & Equivalents at End of Year	\$914,633	\$538,817	\$1,014,304	\$1,039,444	\$1,408,019	23

Oneida County Rural Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,371,046	\$2,820,077	\$3,410,376	\$2,452,351	\$2,798,051
2 Access Lines	1,964	2,129	2,327	2,635	2,972
DOLLAR AMOUNTS					
3 Wages and Benefits	\$792,750	\$851,740	\$820,433	\$886,315	\$1,140,599
4 Depreciation and Amortization	569,901	555,350	586,851	606,765	711,121
5 Other Operations Expense	874,563	1,130,383	1,448,320	839,430	995,728
6 Total Operation Expenses	2,237,214	2,537,473	2,855,604	2,332,510	2,847,448
7 Income Taxes - Operating Taxes	258,041	(2,543)	22,077	(176,050)	(168,630)
8 Other Taxes - Operating Taxes	214,451	210,129	211,266	218,124	218,582
9 Capital Costs	(338,660)	75,018	321,429	77,767	(99,349)
10 Total	\$2,371,046	\$2,820,077	\$3,410,376	\$2,452,351	\$2,798,051
PERCENT OF REVENUES					
11 Wages and Benefits	33.4	30.2	24.1	36.1	40.8
12 Depreciation and Amortization	24.0	19.7	17.2	24.7	25.4
13 Other Operations Expense	36.9	40.1	42.5	34.2	35.6
14 Income Taxes - Operating Taxes	10.9	(0.1)	0.6	(7.2)	(6.0)
15 Other Taxes - Operating Taxes	9.0	7.5	6.2	8.9	7.8
16 Capital Costs	(14.3)	2.7	9.4	3.2	(3.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	403.64	400.07	352.57	336.36	383.78
19 Depreciation and Amortization	290.17	260.85	252.19	230.27	239.27
20 Other Operations Expense	445.30	530.95	622.40	318.57	335.04
21 Income Taxes - Operating Taxes	131.39	(1.19)	9.49	(66.81)	(56.74)
22 Other Taxes - Operating Taxes	109.19	98.70	90.79	82.78	73.55
23 Capital Costs	(172.43)	35.24	138.13	29.51	(33.43)
24 Total	1,207.25	1,324.60	1,465.57	930.68	941.47

**Oneida County Rural Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,898,080	\$3,576,600	\$3,549,096	\$4,049,758	\$4,036,724	1
Central Office Assets	4,152,110	4,696,324	4,693,772	5,784,550	5,782,304	2
Information Origination/Termination	12,216	12,466	13,057	13,582	14,921	3
Cable And Wire Facilities	5,504,522	5,494,153	5,484,906	5,444,078	5,422,768	4
Amortizable Assets	43,125	43,125	43,125	43,125	43,125	5
Total Plant In Service	13,610,053	13,822,668	13,783,956	15,335,093	15,299,842	6
Property Held For Future Use						7
Plant Under Construction		426	441	142	8,095	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,610,053	13,823,094	13,784,397	15,335,235	15,307,937	13
Less Acc. Prov. For Depreciation & Amort.	9,662,606	9,696,016	9,238,403	10,289,963	9,674,772	14
Net Total Utility Plant	\$3,947,447	\$4,127,078	\$4,545,994	\$5,045,272	\$5,633,165	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.84	1.35	1.58	2.39	2.04	16
Total Capitalization	\$12,786,979	\$13,009,160	\$13,198,841	\$13,544,827	\$13,473,195	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	26.7%	25.7%	27.9%	28.8%	33.4%	18
Preferred Stock	0.2%	0.3%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	73.0%	74.0%	71.8%	71.0%	66.3%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	2.27	2.24	1.73	-0.56	-0.07	22
Com. Stock Dividends as a % of Earnings	-2.6%	0.9%	1.2%	-1.3%	-1.0%	23
Return on Common Equity	-0.7%	2.2%	1.5%	-1.5%	-1.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	51.7%	148.9%	369.4%	2009.7%	96.4%	25
CWIP as a % of Plant	0.0%	0.0%	0.0%	0.0%	0.1%	26

Current Assets	4,859,988	2,655,333	2,815,018	2,400,833	2,852,666
Current Liabilities	2,639,814	1,965,211	1,780,064	1,004,993	1,398,433
Total Capitalization	12,786,979	13,009,160	13,198,841	13,544,827	13,473,195
Long-Term Debt	3,418,941	3,348,800	3,687,392	3,895,443	4,503,467
Preferred Stock	28,150	33,150	33,350	34,750	34,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,339,888	9,627,210	9,478,099	9,614,634	8,934,878
Short-Term Debt					
Pretax Income	392,559	379,806	591,887	(122,869)	(17,101)
Interest Expense	173,291	169,618	342,802	221,073	256,600
Common Dividends Paid	1,797	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	(68,844)	209,046	144,921	(137,908)	(174,809)
Internal Cash	273,405	530,161	611,364	546,151	203,861
Cash Outflows for Construction	(528,455)	(356,000)	(165,484)	(27,176)	(211,467)
CWIP		426	441	142	8,095
Total Plant	13,610,053	13,823,094	13,784,397	15,335,235	15,307,937
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	10	12	13	14	18

Ontario Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$47,452	\$191,430	(\$21,788)	\$125,635	\$169,036	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	595,476	602,633	600,324	593,297	587,210	2
Changes in Deferred Income Taxes	(6,717)	85,616	(23,940)	38,557	(33,538)	3
Changes in Working Capital	159,135	(812,850)	(157,022)	(340,757)	(515,976)	4
Capitalized AFDC - Equity						5
Other	(35,308)	(8,397)	39,549	104,266	(28,905)	6
Total Non-Cash Items	712,586	(132,998)	458,911	395,363	8,791	7
Net Cash Provided From Operating Activities	<u>760,038</u>	<u>58,432</u>	<u>437,123</u>	<u>520,998</u>	<u>177,827</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(384,025)	(107,912)	(303,696)	(168,764)	(276,929)	9
Purchase of Other Investments	(822,247)	(1,013,637)	(555,531)	(569,994)	(601,579)	10
Sale of Other Investments	880,352	1,041,689	1,167,019	590,403	665,033	11
Other	54,645	(3,497)	49,476			12
Net Cash Provided From Investing Activities	<u>(271,275)</u>	<u>(83,357)</u>	<u>357,268</u>	<u>(148,355)</u>	<u>(213,475)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(364,893)	(239,413)	(357,530)	(308,516)	(207,692)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt			(39,533)			17
Dividends Paid	(49,073)	(43,928)	(43,686)	(43,532)	(43,466)	18
Other Financing					(113,614)	19
Net Cash Provided From Financing Activities	<u>(413,966)</u>	<u>(283,341)</u>	<u>(440,749)</u>	<u>(352,048)</u>	<u>(364,772)</u>	20
Net Increase (Decrease) in Cash & Equivalents	74,797	(308,266)	353,642	20,595	(400,420)	21
Cash & Equivalents at Beginning of Year	356,302	664,568	310,926	290,331	690,752	22
Cash & Equivalents at End of Year	\$431,099	\$356,302	\$664,568	\$310,926	\$290,331	23

Ontario Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$3,439,762	\$3,610,130	\$3,296,261	\$3,480,943	\$3,369,015
2 Access Lines	2,140	2,307	2,587	2,938	3,517
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,288,927	\$1,217,304	\$1,181,208	\$998,944	\$1,071,224
4 Depreciation and Amortization	594,276	601,433	599,124	592,098	586,010
5 Other Operations Expense	1,449,082	1,360,035	1,395,821	1,331,990	1,251,269
6 Total Operation Expenses	3,332,285	3,178,772	3,176,153	2,923,032	2,908,503
7 Income Taxes - Operating Taxes	(22,763)	73,308	(24,095)	(20,593)	(28,844)
8 Other Taxes - Operating Taxes	157,820	162,480	155,480	244,892	259,494
9 Capital Costs	(27,580)	195,570	(11,277)	333,612	229,862
10 Total	\$3,439,762	\$3,610,130	\$3,296,261	\$3,480,943	\$3,369,015
PERCENT OF REVENUES					
11 Wages and Benefits	37.5	33.7	35.8	28.7	31.8
12 Depreciation and Amortization	17.3	16.7	18.2	17.0	17.4
13 Other Operations Expense	42.1	37.7	42.3	38.3	37.1
14 Income Taxes - Operating Taxes	(0.7)	2.0	(0.7)	(0.6)	(0.9)
15 Other Taxes - Operating Taxes	4.6	4.5	4.7	7.0	7.7
16 Capital Costs	(0.8)	5.4	(0.3)	9.6	6.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	602.30	527.66	456.59	340.01	304.58
19 Depreciation and Amortization	277.70	260.70	231.59	201.53	166.62
20 Other Operations Expense	677.14	589.53	539.55	453.37	355.78
21 Income Taxes - Operating Taxes	(10.64)	31.78	(9.31)	(7.01)	(8.20)
22 Other Taxes - Operating Taxes	73.75	70.43	60.10	83.35	73.78
23 Capital Costs	(12.89)	84.77	(4.36)	113.55	65.36
24 Total	1,607.37	1,564.86	1,274.16	1,184.80	957.92

Ontario Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$2,277,615	\$2,579,895	\$2,449,951	\$2,331,420	\$2,253,115	1
Central Office Assets	3,743,549	3,698,814	3,716,579	3,659,465	3,629,737	2
Information Origination/Termination	109,821	115,689	117,318	97,796	95,198	3
Cable And Wire Facilities	6,628,121	6,530,424	6,452,762	6,347,519	6,287,254	4
Amortizable Assets						5
Total Plant In Service	12,759,106	12,924,822	12,736,610	12,436,200	12,265,304	6
Property Held For Future Use						7
Plant Under Construction	80,943	22,936	111,995	84,217	93,755	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,840,049	12,947,758	12,848,605	12,520,417	12,359,059	13
Less Acc. Prov. For Depreciation & Amort.	5,838,830	5,747,843	5,206,547	4,596,333	4,033,379	14
Net Total Utility Plant	\$7,001,219	\$7,199,915	\$7,642,058	\$7,924,084	\$8,325,680	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.15	3.29	2.72	2.43	2.07	16
Total Capitalization	\$10,031,256	\$10,281,407	\$10,300,084	\$10,634,446	\$10,631,080	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	4.1%	6.5%	8.0%	9.7%	11.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	93.4%	90.6%	88.9%	86.1%	84.2%	20
Short-Term Debt	2.5%	2.9%	3.1%	4.2%	4.2%	21
Pretax Coverage of Interest Expense	2.01	6.01	0.36	2.82	2.28	22
Com. Stock Dividends as a % of Earnings	103.4%	22.9%	-200.5%	34.6%	25.7%	23
Return on Common Equity	0.5%	2.1%	-0.2%	1.4%	1.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	197.9%	54.1%	143.9%	282.3%	83.5%	25
CWIP as a % of Plant	0.6%	0.2%	0.9%	0.7%	0.8%	26

Oriskany Falls Telephone Corporation
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$657)	\$12,014	\$31,819	\$48,597	\$83,745	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	78,404	106,226	96,163	87,812	53,696	2
Changes in Deferred Income Taxes	2,509	(6,168)	57,134	(21,888)	(5,528)	3
Changes in Working Capital	(31,154)	143,772	(75,305)	10,306	8,372	4
Capitalized AFDC - Equity						5
Other	(19,139)	3,361	(5,951)	5,235	8,813	6
Total Non-Cash Items	30,620	247,191	72,041	81,465	65,353	7
Net Cash Provided From Operating Activities	<u>29,963</u>	<u>259,205</u>	<u>103,860</u>	<u>130,062</u>	<u>149,098</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(15,732)	(53,004)	(361,997)	(165,784)	(28,420)	9
Purchase of Other Investments					0	10
Sale of Other Investments	(840)	(25,598)	10,171		(500)	11
Other						12
Net Cash Provided From Investing Activities	<u>(16,572)</u>	<u>(78,602)</u>	<u>(351,826)</u>	<u>(165,784)</u>	<u>(28,920)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(162,000)				18
Other Financing			(607,000)		1,272	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(162,000)</u>	<u>(607,000)</u>	<u>0</u>	<u>1,272</u>	20
Net Increase (Decrease) in Cash & Equivalents	13,391	18,603	(854,966)	(35,722)	121,450	21
Cash & Equivalents at Beginning of Year	774,774	756,171	1,611,138	1,646,859	1,525,410	22
Cash & Equivalents at End of Year	\$788,165	\$774,774	\$756,171	\$1,611,138	\$1,646,859	23

Oriskany Falls Telephone Corporation
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$346,860	\$428,493	\$444,547	\$432,157	\$417,114
2 Access Lines	366	409	436	474	501
DOLLAR AMOUNTS					
3 Wages and Benefits	\$111,122	\$92,869	\$96,698	\$0	
4 Depreciation and Amortization	78,404	106,226	96,163	87,805	\$53,696
5 Other Operations Expense	135,491	223,939	158,071	247,554	238,530
6 Total Operation Expenses	325,017	423,034	350,932	335,359	292,226
7 Income Taxes - Operating Taxes	(1,361)	(6,962)	23,962	22,696	34,399
8 Other Taxes - Operating Taxes	25,731	26,733	25,268	32,357	31,552
9 Capital Costs	(2,527)	(14,312)	44,385	41,745	58,937
10 Total	\$346,860	\$428,493	\$444,547	\$432,157	\$417,114
PERCENT OF REVENUES					
11 Wages and Benefits	32.0	21.7	21.8	0.0	0.0
12 Depreciation and Amortization	22.6	24.8	21.6	20.3	12.9
13 Other Operations Expense	39.1	52.3	35.6	57.3	57.2
14 Income Taxes - Operating Taxes	(0.4)	(1.6)	5.4	5.3	8.2
15 Other Taxes - Operating Taxes	7.4	6.2	5.7	7.5	7.6
16 Capital Costs	(0.7)	(3.3)	10.0	9.7	14.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	303.61	227.06	221.78	0.00	0.00
19 Depreciation and Amortization	214.22	259.72	220.56	185.24	107.18
20 Other Operations Expense	370.19	547.53	362.55	522.27	476.11
21 Income Taxes - Operating Taxes	(3.72)	(17.02)	54.96	47.88	68.66
22 Other Taxes - Operating Taxes	70.30	65.36	57.95	68.26	62.98
23 Capital Costs	(6.90)	(34.99)	101.80	88.07	117.64
24 Total	947.70	1,047.66	1,019.60	911.72	832.56

Oriskany Falls Telephone Corporation
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$139,798	\$139,798	\$139,798	\$365,959	\$169,858	1
Central Office Assets	397,993	397,993	342,254	377,125	416,178	2
Information Origination/Termination					14	3
Cable And Wire Facilities	1,006,464	1,005,807	996,718	949,342	938,554	4
Amortizable Assets	16,145	8,024	10,884	10,246	11,926	5
Total Plant In Service	1,560,400	1,551,622	1,489,654	1,702,672	1,536,530	6
Property Held For Future Use						7
Plant Under Construction	256	194	2,240	32,084	20,506	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	1,560,656	1,551,816	1,491,894	1,734,756	1,557,036	13
Less Acc. Prov. For Depreciation & Amort.	794,646	723,973	636,427	1,134,953	1,035,205	14
Net Total Utility Plant	\$766,010	\$827,843	\$855,467	\$599,803	\$521,831	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	10.17	5.79	12.24	20.13	33.60	16
Total Capitalization	\$1,386,312	\$1,383,388	\$1,532,161	\$2,106,106	\$2,065,042	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	-999.00	18643.00	#DIV/0!	#DIV/0!	927.37	22
Com. Stock Dividends as a % of Earnings	0.0%	1348.4%	1907.7%	0.0%	0.0%	23
Return on Common Equity	0.0%	0.8%	1.7%	2.3%	4.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	190.5%	489.0%	28.7%	78.5%	524.6%	25
CWIP as a % of Plant	0.0%	0.0%	0.2%	1.8%	1.3%	26

Current Assets	827,565	827,356	884,913	1,671,939	1,693,621
Current Liabilities	81,343	142,938	72,315	83,048	50,405
Total Capitalization	1,386,312	1,383,388	1,532,161	2,106,106	2,065,042
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,386,312	1,383,388	1,532,161	2,106,106	2,065,042
Short-Term Debt					
Pretax Income	(999)	18,643	49,030	74,859	131,687
Interest Expense	1	1			142
Common Dividends Paid		162,000	607,000		
Net Income (Excl. Preferred Stock Dividends)	(657)	12,014	31,819	48,597	83,745
Internal Cash	29,963	259,205	103,860	130,063	149,097
Cash Outflows for Construction	(15,732)	(53,004)	(361,997)	(165,784)	(28,420)
CWIP	256	194	2,240	32,084	20,506
Total Plant	1,560,656	1,551,816	1,491,894	1,734,756	1,557,036
Shares Outstanding	100	100	100	100	151
Number of Employees	0	0	0	0	0

Pattersonville Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$57,547)	\$16,892	(\$81,476)	(\$106,973)	(\$101,087)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	84,018	144,478	237,257	336,642	301,174	2
Changes in Deferred Income Taxes	(143,470)	(70,855)	(52,756)	(61,346)	(63,513)	3
Changes in Working Capital	189,338	(32,782)	(19,806)	(11,801)	20,782	4
Capitalized AFDC - Equity						5
Other	(70,697)	(258,399)	(33,237)	99,717	(92,453)	6
Total Non-Cash Items	59,189	(217,558)	131,458	363,213	165,990	7
Net Cash Provided From Operating Activities	<u>1,643</u>	<u>(200,666)</u>	<u>49,982</u>	<u>256,240</u>	<u>64,903</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(55,882)	(17,483)	(13,654)	(31,329)	(117,095)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	215,282	(4,664)	(9,605)	(2,061)	(10,356)	12
Net Cash Provided From Investing Activities	<u>159,400</u>	<u>(22,147)</u>	<u>(23,259)</u>	<u>(33,390)</u>	<u>(127,451)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(84,000)	(16,800)	(42,000)		(16,800)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(84,000)</u>	<u>(16,800)</u>	<u>(42,000)</u>		<u>(16,800)</u>	20
Net Increase (Decrease) in Cash & Equivalents	77,043	(239,613)	(15,277)	222,850	(79,348)	21
Cash & Equivalents at Beginning of Year	425,288	664,901	680,178	457,328	536,676	22
Cash & Equivalents at End of Year	\$502,331	\$425,288	\$664,901	\$680,178	\$457,328	23

Pattersonville Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,199,609	\$1,199,333	\$1,313,222	\$1,361,845	\$1,416,789
2 Access Lines	788	824	905	947	992
DOLLAR AMOUNTS					
3 Wages and Benefits	\$723,509	\$785,398	\$807,167	\$828,658	\$922,322
4 Depreciation and Amortization	84,018	144,478	237,257	336,642	301,174
5 Other Operations Expense	360,246	435,731	342,653	306,318	311,247
6 Total Operation Expenses	1,167,773	1,365,607	1,387,077	1,471,619	1,534,744
7 Income Taxes - Operating Taxes	(6,455)	(70,615)	(52,843)	(61,808)	(44,544)
8 Other Taxes - Operating Taxes	59,564	70,092	67,380	70,421	70,673
9 Capital Costs	(21,273)	(165,750)	(88,392)	(118,386)	(144,084)
10 Total	\$1,199,609	\$1,199,333	\$1,313,222	\$1,361,845	\$1,416,789
PERCENT OF REVENUES					
11 Wages and Benefits	60.3	65.5	61.5	60.8	65.1
12 Depreciation and Amortization	7.0	12.0	18.1	24.7	21.3
13 Other Operations Expense	30.0	36.3	26.1	22.5	22.0
14 Income Taxes - Operating Taxes	(0.5)	(5.9)	(4.0)	(4.5)	(3.1)
15 Other Taxes - Operating Taxes	5.0	5.8	5.1	5.2	5.0
16 Capital Costs	(1.8)	(13.8)	(6.7)	(8.7)	(10.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	918.16	953.15	891.90	875.03	929.76
19 Depreciation and Amortization	106.62	175.34	262.16	355.48	303.60
20 Other Operations Expense	457.17	528.80	378.62	323.46	313.76
21 Income Taxes - Operating Taxes	(8.19)	(85.70)	(58.39)	(65.27)	(44.90)
22 Other Taxes - Operating Taxes	75.59	85.06	74.45	74.36	71.24
23 Capital Costs	(27.00)	(201.15)	(97.67)	(125.01)	(145.25)
24 Total	1,522.35	1,455.50	1,451.07	1,438.06	1,428.21

**Pattersonville Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$796,912	\$781,461	\$997,551	\$1,004,708	\$1,004,708	1
Central Office Assets	1,363,411	1,283,234	1,966,336	1,983,648	1,976,919	2
Information Origination/Termination			894	894	926	3
Cable And Wire Facilities	1,814,941	1,817,878	1,807,374	1,812,928	1,807,751	4
Amortizable Assets						5
Total Plant In Service	3,975,264	3,882,573	4,772,155	4,802,178	4,790,304	6
Property Held For Future Use						7
Plant Under Construction	89,877	36,894	14,809	21,560	3,782	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	4,065,141	3,919,467	4,786,964	4,823,738	4,794,085	13
Less Acc. Prov. For Depreciation & Amort.	3,692,078	3,521,514	4,266,680	4,089,455	3,756,550	14
Net Total Utility Plant	\$373,063	\$397,953	\$520,283	\$734,282	\$1,037,535	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.58	4.41	12.55	12.71	12.19	16
Total Capitalization	\$1,261,603	\$1,184,622	\$1,184,530	\$1,308,006	\$1,414,980	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-38790.91	98.50	183.34	230.73	56.23	22
Com. Stock Dividends as a % of Earnings	-146.0%	99.5%	-51.5%		-16.6%	23
Return on Common Equity	-4.7%	1.4%	-6.5%	-7.9%	-6.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2.9%	-1147.8%	366.1%	817.9%	55.4%	25
CWIP as a % of Plant	2.2%	0.9%	0.3%	0.4%	0.1%	26

Current Assets	717,312	863,851	939,037	912,610	768,939
Current Liabilities	128,629	195,929	74,799	71,805	63,068
Total Capitalization	1,261,603	1,184,622	1,184,530	1,308,006	1,414,980
Long-Term Debt					-
Preferred Stock					-
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,261,603	1,184,622	1,184,530	1,308,006	1,414,980
Short-Term Debt					-
Pretax Income	(64,005)	(54,210)	(134,480)	(168,692)	(144,694)
Interest Expense	2	(550)	(734)	(731)	(2,573)
Common Dividends Paid	84,000	16,800	42,000		16,800
Net Income (Excl. Preferred Stock Dividends)	(57,547)	16,892	(81,476)	(106,973)	(101,087)
Internal Cash	1,643	(200,665)	49,982	256,240	64,903
Cash Outflows for Construction	(55,882)	(17,483)	(13,654)	(31,329)	(117,095)
CWIP	89,877	36,894	14,809	21,560	3,782
Total Plant	4,065,141	3,919,466	4,786,964	4,823,738	4,794,085
Shares Outstanding	1,680	1,680	1,680	1,920	1,920
Number of Employees	6	8	8	8	8

Port Byron Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$221,805)	(\$32,654)	(\$83,942)	(\$50,799)	\$200,938	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	504,284	551,689	440,866	616,631	691,280	2
Changes in Deferred Income Taxes	12,457	(68,889)	(18,843)	(42,720)	65,738	3
Changes in Working Capital	(397,932)	29,839	102,870	(13,753)	(80,226)	4
Capitalized AFDC - Equity						5
Other	(11,706)	55,692	(56,731)	(17,037)	(273,775)	6
Total Non-Cash Items	107,103	568,331	468,162	543,121	403,017	7
Net Cash Provided From Operating Activities	<u>(114,702)</u>	<u>535,677</u>	<u>384,220</u>	<u>492,322</u>	<u>603,955</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(448,987)	(155,890)	(79,488)	(397,960)	(303,906)	9
Purchase of Other Investments						10
Sale of Other Investments	358		162,809	36,257	(11,466)	11
Other						12
Net Cash Provided From Investing Activities	<u>(448,629)</u>	<u>(155,890)</u>	<u>83,321</u>	<u>(361,703)</u>	<u>(315,372)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(5,868)	(38,142)	(32,274)	(35,209)	(35,208)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(275,000)	18
Other Financing		(324)	(6,934)	(11,381)	(10,631)	19
Net Cash Provided From Financing Activities	<u>(5,868)</u>	<u>(38,466)</u>	<u>(39,208)</u>	<u>(46,590)</u>	<u>(320,839)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(569,199)	341,321	428,333	84,029	(32,256)	21
Cash & Equivalents at Beginning of Year	2,231,561	1,890,240	1,461,907	1,377,878	1,410,134	22
Cash & Equivalents at End of Year	\$1,662,362	\$2,231,561	\$1,890,240	\$1,461,907	\$1,377,878	23

Port Byron Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,083,097	\$2,141,206	\$2,270,813	\$2,375,504	\$2,583,762
2 Access Lines	2,137	2,225	2,349	2,544	2,822
DOLLAR AMOUNTS					
3 Wages and Benefits	\$843,379	\$749,141	\$712,973	\$287,740	\$317,986
4 Depreciation and Amortization	504,284	551,690	440,866	616,629	691,279
5 Other Operations Expense	973,366	987,362	966,243	1,469,699	1,354,870
6 Total Operation Expenses	2,321,029	2,288,193	2,120,082	2,374,068	2,364,135
7 Income Taxes - Operating Taxes	(122,365)	(102,643)	6,406	(48,959)	22,853
8 Other Taxes - Operating Taxes	112,125	146,300	99,642	107,287	172,824
9 Capital Costs	(227,692)	(190,644)	44,683	(56,892)	23,950
10 Total	\$2,083,097	\$2,141,206	\$2,270,813	\$2,375,504	\$2,583,762
PERCENT OF REVENUES					
11 Wages and Benefits	40.5	35.0	31.4	12.1	12.3
12 Depreciation and Amortization	24.2	25.8	19.4	26.0	26.8
13 Other Operations Expense	46.7	46.1	42.6	61.9	52.4
14 Income Taxes - Operating Taxes	(5.9)	(4.8)	0.3	(2.1)	0.9
15 Other Taxes - Operating Taxes	5.4	6.8	4.4	4.5	6.7
16 Capital Costs	(10.9)	(8.9)	2.0	(2.4)	0.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	394.66	336.69	303.52	113.11	112.68
19 Depreciation and Amortization	235.98	247.95	187.68	242.39	244.96
20 Other Operations Expense	455.48	443.76	411.34	577.71	480.11
21 Income Taxes - Operating Taxes	(57.26)	(46.13)	2.73	(19.24)	8.10
22 Other Taxes - Operating Taxes	52.47	65.75	42.42	42.17	61.24
23 Capital Costs	(106.55)	(85.68)	19.02	(22.36)	8.49
24 Total	974.78	962.34	966.71	933.77	915.58

Port Byron Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$746,009	\$712,184	\$780,407	\$883,551	\$939,437	1
Central Office Assets	3,750,198	3,644,998	3,606,721	3,596,360	3,857,184	2
Information Origination/Termination	38,738	38,738	38,738	0	3,079	3
Cable And Wire Facilities	5,876,846	5,792,715	5,736,781	5,726,406	5,712,375	4
Amortizable Assets	88,636	51,909	69,883	119,235	139,561	5
Total Plant In Service	10,500,427	10,240,544	10,232,530	10,325,552	10,651,636	6
Property Held For Future Use						7
Plant Under Construction	229,637	60,712	1,768	66,004	53,259	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,730,064	10,301,256	10,234,298	10,391,556	10,704,895	13
Less Acc. Prov. For Depreciation & Amort.	7,983,003	7,498,539	7,035,781	6,704,062	6,803,549	14
Net Total Utility Plant	\$2,747,061	\$2,802,717	\$3,198,517	\$3,687,494	\$3,901,346	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.98	6.49	6.55	4.73	5.01	16
Total Capitalization	\$4,397,909	\$4,625,020	\$4,695,504	\$4,818,382	\$4,874,308	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.2%	0.9%	1.7%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	99.9%	99.1%	98.3%	97.3%	20
Short-Term Debt	0.0%	0.1%	0.8%	0.9%	0.9%	21
Pretax Coverage of Interest Expense	#DIV/0!	-7138.29	-645.43	-97.85	-30.00	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	136.9%	23
Return on Common Equity	-4.9%	-0.7%	-1.8%	-1.1%	4.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-25.5%	343.6%	483.4%	123.7%	198.7%	25
CWIP as a % of Plant	2.1%	0.6%	0.0%	0.6%	0.5%	26

Current Assets	2,463,814	2,667,503	2,284,792	2,014,417	1,861,145
Current Liabilities	353,121	411,083	349,004	425,530	371,713
Total Capitalization	4,397,909	4,625,020	4,695,504	4,818,382	4,874,308
Long-Term Debt			8,802	41,400	83,933
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,397,909	4,619,152	4,651,170	4,734,840	4,744,176
Short-Term Debt		5,868	35,532	42,142	46,199
Pretax Income	(341,000)	(49,968)	(146,512)	(96,485)	312,535
Interest Expense		7	227	986	(10,418)
Common Dividends Paid					275,000
Net Income (Excl. Preferred Stock Dividends)	(221,805)	(32,654)	(83,942)	(50,799)	200,938
Internal Cash	(114,702)	535,677	384,220	492,322	603,955
Cash Outflows for Construction	(448,987)	(155,890)	(79,488)	(397,960)	(303,906)
CWIP	229,637	60,712	1,768	66,004	53,259
Total Plant	10,730,064	10,301,256	10,234,298	10,391,556	10,704,895
Shares Outstanding	1,330	1,330	1,330	1,330	1,330
Number of Employees	3	3	3	5	5

State Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$114,557	\$295,841	\$636,230	\$534,901	\$496,690	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	895,191	819,216	782,346	730,717	812,996	2
Changes in Deferred Income Taxes	254,053	268,017	401,647	(70,452)	10,259	3
Changes in Working Capital	208,950	115,383	(394,512)	317,509	28,242	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	1,358,194	1,202,616	789,481	977,774	851,497	7
Net Cash Provided From Operating Activities	<u>1,472,751</u>	<u>1,498,457</u>	<u>1,425,711</u>	<u>1,512,675</u>	<u>1,348,187</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(726,475)	(1,607,959)	(2,853,360)	(1,015,746)	(793,300)	9
Purchase of Other Investments						10
Sale of Other Investments			1,300			11
Other	(23,061)			(17,366)		12
Net Cash Provided From Investing Activities	<u>(749,536)</u>	<u>(1,607,959)</u>	<u>(2,852,060)</u>	<u>(1,033,112)</u>	<u>(793,300)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(283,732)	406,574	1,500,000			14
Common Stock	(112,000)		(360,000)	(360,000)	(384,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(504,824)	(90,750)	(109,767)	33,341	(119,940)	19
Net Cash Provided From Financing Activities	<u>(900,556)</u>	<u>315,824</u>	<u>1,030,233</u>	<u>(326,659)</u>	<u>(503,940)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(177,341)	206,322	(396,116)	152,904	50,947	21
Cash & Equivalents at Beginning of Year	218,351	12,029	408,145	255,241	204,294	22
Cash & Equivalents at End of Year	\$41,010	\$218,351	\$12,029	\$408,145	\$255,241	23

State Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,760,668	\$4,925,353	\$4,960,404	\$4,643,978	\$4,572,331
2 Access Lines	5,784	6,172	6,616	6,799	7,190
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,868,464	\$1,773,237	\$1,864,194	\$1,851,425	\$1,806,761
4 Depreciation and Amortization	895,191	819,216	782,346	730,717	812,996
5 Other Operations Expense	1,937,245	1,456,253	1,186,083	1,230,100	1,235,350
6 Total Operation Expenses	4,700,900	4,048,706	3,832,623	3,812,242	3,855,107
7 Income Taxes - Operating Taxes	(417,572)	194,093	227,146	88,849	51,491
8 Other Taxes - Operating Taxes	309,847	281,720	273,060	261,936	245,372
9 Capital Costs	167,493	400,834	627,575	480,951	420,361
10 Total	\$4,760,668	\$4,925,353	\$4,960,404	\$4,643,978	\$4,572,331
PERCENT OF REVENUES					
11 Wages and Benefits	39.2	36.0	37.6	39.9	39.5
12 Depreciation and Amortization	18.8	16.6	15.8	15.7	17.8
13 Other Operations Expense	40.7	29.6	23.9	26.5	27.0
14 Income Taxes - Operating Taxes	(8.8)	3.9	4.6	1.9	1.1
15 Other Taxes - Operating Taxes	6.5	5.7	5.5	5.6	5.4
16 Capital Costs	3.5	8.1	12.7	10.4	9.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	323.04	287.30	281.77	272.31	251.29
19 Depreciation and Amortization	154.77	132.73	118.25	107.47	113.07
20 Other Operations Expense	334.93	235.95	179.27	180.92	171.82
21 Income Taxes - Operating Taxes	(72.19)	31.45	34.33	13.07	7.16
22 Other Taxes - Operating Taxes	53.57	45.64	41.27	38.53	34.13
23 Capital Costs	28.96	64.94	94.86	70.74	58.46
24 Total	823.08	798.02	749.76	683.04	635.93

State Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,345,246	\$2,325,107	\$2,287,537	\$2,296,676	\$2,098,527	1
Central Office Assets	8,326,407	8,017,813	7,599,009	6,665,813	6,729,684	2
Information Origination/Termination	3,028,165	2,935,495	2,536,921	1,621,987	333,945	3
Cable And Wire Facilities	11,791,544	9,925,514	9,816,256	9,670,764	9,267,322	4
Amortizable Assets						5
Total Plant In Service	25,491,362	23,203,929	22,239,723	20,255,240	18,429,478	6
Property Held For Future Use						7
Plant Under Construction		1,658,316	1,014,563			8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant				189,052	1,037,715	11
Goodwill						12
Total Telecommunications Plant	25,491,362	24,862,245	23,254,286	20,444,292	19,467,193	13
Less Acc. Prov. For Depreciation & Amort.	18,189,773	17,415,001	16,595,785	15,855,505	15,180,801	14
Net Total Utility Plant	\$7,301,589	\$7,447,244	\$6,658,501	\$4,588,787	\$4,286,392	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.40	0.53	0.60	3.26	11.65	16
Total Capitalization	\$6,861,419	\$6,867,497	\$6,903,272	\$4,639,465	\$4,487,046	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	76.3%	72.2%	78.3%	100.0%	100.0%	20
Short-Term Debt	23.7%	27.8%	21.7%			21
Pretax Coverage of Interest Expense	-2.95	6.43	80.49	17822.43	9137.35	22
Com. Stock Dividends as a % of Earnings	97.8%		56.6%	67.3%	77.3%	23
Return on Common Equity	2.2%	5.7%	12.7%	11.7%	11.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	202.7%	93.2%	50.0%	148.9%	169.9%	25
CWIP as a % of Plant						26

Current Assets	718,981	1,068,043	923,842	1,198,595	1,159,768
Current Liabilities	1,799,309	2,009,500	1,550,997	368,200	99,532
Total Capitalization	6,861,419	6,867,497	6,903,272	4,639,465	4,487,046
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,238,577	4,960,923	5,403,272	4,639,465	4,487,046
Short-Term Debt	1,622,842	1,906,574	1,500,000		
Pretax Income	(226,274)	580,173	874,237	623,785	548,241
Interest Expense	76,741	90,239	10,861	35	60
Common Dividends Paid	112,000		360,000	360,000	384,000
Net Income (Excl. Preferred Stock Dividends)	114,557	295,841	636,230	534,901	496,690
Internal Cash	1,472,751	1,498,457	1,425,711	1,512,675	1,348,187
Cash Outflows for Construction	(726,475)	(1,607,959)	(2,853,360)	(1,015,746)	(793,300)
CWIP		1,658,316	1,014,563		
Total Plant	25,491,362	24,862,245	23,254,286	20,444,292	19,467,193
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	26	25	25	25	26

Taconic Telephone Corp.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$2,098,684	\$3,003,040	\$3,964,560	\$2,911,273	\$2,298,751	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,399,431	3,039,119	884,190	899,773	1,279,172	2
Changes in Deferred Income Taxes	101,382	(103,808)	639,060	692,586		3
Changes in Working Capital	(251,338)	(1,004,595)	902,661	47,224	1,976,709	4
Capitalized AFDC - Equity						5
Other	(2,879,898)	(878,653)	(5,051,560)	(3,814,218)	(290,194)	6
Total Non-Cash Items	(630,423)	1,052,063	(2,625,649)	(2,174,635)	2,965,687	7
Net Cash Provided From Operating Activities	<u>1,468,261</u>	<u>4,055,103</u>	<u>1,338,911</u>	<u>736,638</u>	<u>5,264,438</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,468,581)	(4,055,103)	(1,338,911)	(736,638)	(2,156,247)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(1,468,581)</u>	<u>(4,055,103)</u>	<u>(1,338,911)</u>	<u>(736,638)</u>	<u>(2,156,247)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(3,115,000)	18
Other Financing					7,029	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,107,971)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(320)	0	0	0	220	21
Cash & Equivalents at Beginning of Year	1,220	1,220	1,220	1,220	1,000	22
Cash & Equivalents at End of Year	\$900	\$1,220	\$1,220	\$1,220	\$1,220	23

Taconic Telephone Corp.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$15,266,435	\$16,538,335	\$16,473,681	\$17,171,217	\$18,006,670
2 Access Lines	20,052	21,023	22,005	23,105	22,572
DOLLAR AMOUNTS					
3 Wages and Benefits	3,099,832	3,572,018	\$3,439,910	\$3,634,114	\$4,006,112
4 Depreciation and Amortization	2,399,431	3,039,119	2,638,257	2,631,331	2,769,964
5 Other Operations Expense	9,120,129	8,479,966	8,628,353	8,129,985	7,672,752
6 Total Operation Expenses	14,619,392	15,091,103	14,706,520	14,395,430	14,448,828
7 Income Taxes - Operating Taxes	(352,065)	(80,582)	(5,320)	1,681,348	1,159,138
8 Other Taxes - Operating Taxes	753,362	817,518	855,462	742,623	836,535
9 Capital Costs	245,746	710,296	917,019	351,816	1,562,169
10 Total	\$15,266,435	\$16,538,335	\$16,473,681	\$17,171,217	\$18,006,670
PERCENT OF REVENUES					
11 Wages and Benefits	20.3	21.6	20.9	21.2	22.2
12 Depreciation and Amortization	15.7	18.4	16.0	15.3	15.4
13 Other Operations Expense	59.7	51.3	52.4	47.3	42.6
14 Income Taxes - Operating Taxes	(2.3)	(0.5)	(0.0)	9.8	6.4
15 Other Taxes - Operating Taxes	4.9	4.9	5.2	4.3	4.6
16 Capital Costs	1.6	4.3	5.6	2.0	8.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	154.59	169.91	156.32	157.29	177.48
19 Depreciation and Amortization	119.66	144.56	119.89	113.89	122.72
20 Other Operations Expense	454.82	403.37	392.11	351.87	339.92
21 Income Taxes - Operating Taxes	(17.56)	(3.83)	(0.24)	72.77	51.35
22 Other Taxes - Operating Taxes	37.57	38.89	38.88	32.14	37.06
23 Capital Costs	12.26	33.79	41.67	15.23	69.21
24 Total	761.34	786.68	748.63	743.18	797.74

Taconic Telephone Corp.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$8,551,666	\$8,439,632	\$9,055,799	\$8,943,051	\$8,854,587	1
Central Office Assets	29,965,465	29,612,327	29,068,076	28,656,337	28,134,712	2
Information Origination/Termination	1,465	1,465	1,465	1,465	1,465	3
Cable And Wire Facilities	33,991,867	33,746,911	33,552,911	32,987,982	32,481,297	4
Amortizable Assets						5
Total Plant In Service	72,510,463	71,800,335	71,678,251	70,588,835	69,472,061	6
Property Held For Future Use		10,664	10,665	10,665	10,664	7
Plant Under Construction	1,324,921	712,675	300,352	652,450	1,181,966	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	359,964	349,300	349,300	349,300	349,300	11
Goodwill						12
Total Telecommunications Plant	74,195,348	72,872,974	72,338,568	71,601,250	71,013,991	13
Less Acc. Prov. For Depreciation & Amort.	53,819,463	51,654,205	51,440,686	51,158,089	50,407,696	14
Net Total Utility Plant	\$20,375,885	\$21,218,769	\$20,897,882	\$20,443,160	\$20,606,296	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.97	0.92	0.98	1.20	0.96	16
Total Capitalization	\$18,351,709	\$19,384,288	\$19,192,590	\$19,837,397	\$21,031,124	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	963.18	122.96	64.34	35.06	36.05	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	-408.5%	-302.2%	23
Return on Common Equity	6.4%	11.7%	9.1%	4.9%	7.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	100.0%	215.2%	100.0%	244.1%	25
CWIP as a % of Plant	1.8%	1.0%	0.4%	0.9%	1.7%	26

Current Assets	3,994,314	3,969,440	6,562,289	6,787,293	7,880,576
Current Liabilities	4,138,486	4,323,044	6,702,630	5,650,436	8,207,381
Total Capitalization	18,351,709	19,384,288	19,192,590	19,837,397	21,031,124
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	18,351,709	19,384,288	19,192,590	19,837,397	21,031,124
Short-Term Debt					
Pretax Income	1,077,802	2,160,458	2,455,361	2,009,600	2,710,263
Interest Expense	1,119	17,570	38,161	57,317	75,184
Common Dividends Paid				(4,105,000)	(4,628,000)
Net Income (Excl. Preferred Stock Dividends)	1,203,321	2,264,665	1,778,470	1,004,978	1,531,482
Internal Cash	1,468,261	4,055,103	2,881,279	736,637	5,264,438
Cash Outflows for Construction	(1,468,581)	(4,055,103)	(1,338,911)	(736,638)	(2,156,247)
CWIP	1,324,921	712,675	300,352	652,450	1,181,966
Total Plant	74,195,348	72,872,974	72,338,568	71,601,254	71,013,991
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	49	51	54	60	66

Township Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$435,256)	\$397,012	(\$707,512)	(\$223,997)	\$732,667	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	791,323	779,230	632,950	1,022,736	1,206,825	2
Changes in Deferred Income Taxes	16,176	14,733	(212,641)	(134,059)	429,797	3
Changes in Working Capital	(34,849)	(160,674)	143,661	121,741	50,669	4
Capitalized AFDC - Equity						5
Other	1,673	(65,950)	16,137	7,855	(1,449,856)	6
Total Non-Cash Items	774,323	567,339	580,107	1,018,273	237,435	7
Net Cash Provided From Operating Activities	<u>339,067</u>	<u>964,351</u>	<u>(127,405)</u>	<u>794,276</u>	<u>970,102</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(265,045)	(543,402)	(43,025)	(315,631)	(562,349)	9
Purchase of Other Investments						10
Sale of Other Investments	(9,095)	(32,438)	554,343	(77,489)	(106,627)	11
Other						12
Net Cash Provided From Investing Activities	<u>(274,140)</u>	<u>(575,840)</u>	<u>511,318</u>	<u>(393,120)</u>	<u>(668,976)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(2,360,000)			(349,000)	18
Other Financing		(855)	(3,656)	(13,048)	(57,117)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(2,360,855)</u>	<u>(3,656)</u>	<u>(13,048)</u>	<u>(406,117)</u>	20
Net Increase (Decrease) in Cash & Equivalents	64,927	(1,972,344)	380,257	388,108	(104,991)	21
Cash & Equivalents at Beginning of Year	1,030,522	3,002,866	2,622,609	2,234,501	2,339,492	22
Cash & Equivalents at End of Year	\$1,095,449	\$1,030,522	\$3,002,866	\$2,622,609	\$2,234,501	23

Township Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$2,712,576	\$2,841,738	\$2,855,049	\$3,299,414	\$3,526,705
2 Access Lines	2,717	3,016	3,304	3,671	4,110
DOLLAR AMOUNTS					
3 Wages and Benefits	1,093,934	1,014,278	\$1,020,197	\$444,855	\$505,491
4 Depreciation and Amortization	791,323	779,230	633,673	1,022,736	1,206,705
5 Other Operations Expense	1,333,324	1,151,190	1,287,096	2,015,449	1,944,404
6 Total Operation Expenses	3,218,581	2,944,698	2,940,966	3,483,040	3,656,600
7 Income Taxes - Operating Taxes	(234,918)	(92,916)	(87,470)	(126,903)	(93,686)
8 Other Taxes - Operating Taxes	165,637	164,142	163,901	179,243	212,054
9 Capital Costs	(436,724)	(174,186)	(162,348)	(235,966)	(248,263)
10 Total	\$2,712,576	\$2,841,738	\$2,855,049	\$3,299,414	\$3,526,705
PERCENT OF REVENUES					
11 Wages and Benefits	40.3	35.7	35.7	13.5	14.3
12 Depreciation and Amortization	29.2	27.4	22.2	31.0	34.2
13 Other Operations Expense	49.2	40.5	45.1	61.1	55.1
14 Income Taxes - Operating Taxes	(8.7)	(3.3)	(3.1)	(3.8)	(2.7)
15 Other Taxes - Operating Taxes	6.1	5.8	5.7	5.4	6.0
16 Capital Costs	(16.1)	(6.1)	(5.7)	(7.2)	(7.0)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	402.63	336.30	308.78	121.18	122.99
19 Depreciation and Amortization	291.25	258.37	191.79	278.60	293.60
20 Other Operations Expense	490.73	381.69	389.56	549.02	473.09
21 Income Taxes - Operating Taxes	(86.46)	(30.81)	(26.47)	(34.57)	(22.79)
22 Other Taxes - Operating Taxes	60.96	54.42	49.61	48.83	51.59
23 Capital Costs	(160.74)	(57.75)	(49.14)	(64.28)	(60.40)
24 Total	998.37	942.22	864.12	898.78	858.08

Township Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,276,788	\$1,246,792	\$1,228,629	\$1,329,878	\$1,387,121	1
Central Office Assets	7,091,985	6,890,640	6,766,142	7,252,023	7,612,095	2
Information Origination/Termination	30,557	30,557	30,557		2,157	3
Cable And Wire Facilities	9,835,491	9,752,205	9,642,951	9,642,479	9,538,912	4
Amortizable Assets	125,124	60,730	91,248	135,531	171,183	5
Total Plant In Service	18,359,945	17,980,924	17,759,527	18,359,911	18,711,468	6
Property Held For Future Use						7
Plant Under Construction	42,816	280,533	118,631	52,932	79,807	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	5,449	5,449	5,449	5,449	5,449	11
Goodwill						12
Total Telecommunications Plant	18,408,210	18,266,906	17,883,607	18,418,292	18,796,724	13
Less Acc. Prov. For Depreciation & Amort.	12,276,132	11,617,643	11,030,958	10,421,373	10,170,192	14
Net Total Utility Plant	\$6,132,078	\$6,649,263	\$6,852,649	\$7,996,919	\$8,626,532	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.54	3.23	6.61	5.46	6.08	16
Total Capitalization	\$5,566,142	\$6,002,298	\$7,890,309	\$8,599,469	\$8,751,925	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.1%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.9%	99.8%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.1%	21
Pretax Coverage of Interest Expense	#DIV/0!	6706.22	-7556.78	-401.52	-15.46	22
Com. Stock Dividends as a % of Earnings	0.0%	594.4%	0.0%	0.0%	47.6%	23
Return on Common Equity	-7.5%	5.7%	-8.6%	-2.6%	8.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	127.9%	177.5%	-296.1%	251.6%	172.5%	25
CWIP as a % of Plant	0.2%	1.5%	0.7%	0.3%	0.4%	26

Current Assets	1,600,428	1,528,731	3,398,824	3,248,960	2,853,568
Current Liabilities	451,846	472,871	514,543	595,586	469,271
Total Capitalization	5,566,142	6,002,298	7,890,309	8,599,469	8,751,925
Long-Term Debt				855	4,511
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,566,142	6,002,298	7,889,454	8,594,958	8,734,366
Short-Term Debt			855	3,656	13,048
Pretax Income	(669,383)	611,339	(1,088,177)	(343,698)	1,121,578
Interest Expense		91	144	856	(72,547)
Common Dividends Paid		2,360,000			349,000
Net Income (Excl. Preferred Stock Dividends)	(435,256)	397,012	(707,512)	(223,997)	732,667
Internal Cash	339,067	964,351	(127,405)	794,276	970,102
Cash Outflows for Construction	(265,045)	(543,402)	(43,025)	(315,631)	(562,349)
CWIP	42,816	280,533	118,631	52,932	79,807
Total Plant	18,408,210	18,266,906	17,883,607	18,418,292	18,796,724
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	5	7

Trumansburg Home Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$185,006	\$461,745	\$516,232	(\$181,489)	\$110,615	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,123,829	1,119,181	\$1,111,070	1,077,815	1,033,417	2
Changes in Deferred Income Taxes	24,369	128,293	58,417	22,633	162,862	3
Changes in Working Capital	341,295	232,003	(839,238)	(431,203)	395,312	4
Capitalized AFDC - Equity						5
Other	(99,994)	(334,413)	(479,827)	477,327	98,481	6
Total Non-Cash Items	1,389,499	1,145,064	(149,578)	1,146,572	1,690,072	7
Net Cash Provided From Operating Activities	<u>1,574,505</u>	<u>1,606,809</u>	<u>366,654</u>	<u>965,083</u>	<u>1,800,687</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,040,437)	(1,593,304)	(664,193)	(397,545)	(524,783)	9
Purchase of Other Investments	(1,579,095)	(2,004,834)	(1,582,737)	(1,309,587)	(2,353,102)	10
Sale of Other Investments	1,665,537	2,669,344	2,444,118	1,223,054	1,894,938	11
Other	208,516	(29,413)	178,713	243,942	(707,816)	12
Net Cash Provided From Investing Activities	<u>(745,479)</u>	<u>(958,207)</u>	<u>375,901</u>	<u>(240,136)</u>	<u>(1,690,763)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(503,592)	(523,834)	(565,444)	(648,522)	(392,543)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(59,652)	(54,146)	(53,818)	(53,749)	(53,559)	18
Other Financing	(77,774)	(4,262)	(14,319)	(7,642)	(182,944)	19
Net Cash Provided From Financing Activities	<u>(641,018)</u>	<u>(582,242)</u>	<u>(633,581)</u>	<u>(709,913)</u>	<u>(629,046)</u>	20
Net Increase (Decrease) in Cash & Equivalents	188,008	66,360	108,974	15,034	(519,122)	21
Cash & Equivalents at Beginning of Year	1,372,288	1,305,928	1,196,954	1,181,920	1,701,042	22
Cash & Equivalents at End of Year	\$1,560,297	\$1,372,288	\$1,305,928	\$1,196,954	\$1,181,920	23

Trumansburgh Home Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$4,988,435	\$5,456,724	\$5,386,343	\$5,630,624	\$5,459,150
2 Access Lines	3,758	4,063	4,364	4,752	5,273
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,468,892	\$1,599,152	\$1,636,542	\$1,555,512	\$1,492,766
4 Depreciation and Amortization	1,121,429	1,116,781	1,108,670	1,090,497	1,031,017
5 Other Operations Expense	1,938,457	2,130,752	2,089,037	2,103,118	2,136,200
6 Total Operation Expenses	4,528,778	4,846,685	4,834,249	4,749,127	4,659,983
7 Income Taxes - Operating Taxes	48,803	84,522	44,172	145,383	50,905
8 Other Taxes - Operating Taxes	251,187	283,406	287,643	424,008	420,063
9 Capital Costs	159,667	242,111	220,279	312,106	328,199
10 Total	\$4,988,435	\$5,456,724	\$5,386,343	\$5,630,624	\$5,459,150
PERCENT OF REVENUES					
11 Wages and Benefits	29.4	29.3	30.4	27.6	27.3
12 Depreciation and Amortization	22.5	20.5	20.6	19.4	18.9
13 Other Operations Expense	38.9	39.0	38.8	37.4	39.1
14 Income Taxes - Operating Taxes	1.0	1.5	0.8	2.6	0.9
15 Other Taxes - Operating Taxes	5.0	5.2	5.3	7.5	7.7
16 Capital Costs	3.2	4.4	4.1	5.5	6.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	390.87	393.59	375.01	327.34	283.10
19 Depreciation and Amortization	298.41	274.87	254.05	229.48	195.53
20 Other Operations Expense	515.82	524.43	478.70	442.58	405.12
21 Income Taxes - Operating Taxes	12.99	20.80	10.12	30.59	9.65
22 Other Taxes - Operating Taxes	66.84	69.75	65.91	89.23	79.66
23 Capital Costs	42.49	59.59	50.48	65.68	62.24
24 Total	1,327.42	1,343.03	1,234.27	1,184.90	1,035.30

**Trumansburg Home Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,**

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,640,630	\$2,517,663	\$2,446,370	\$2,360,382	\$2,334,434	1
Central Office Assets	8,405,440	7,844,579	9,569,350	9,358,752	9,669,033	2
Information Origination/Termination	161,076	157,124	144,186	143,268	131,019	3
Cable And Wire Facilities	13,682,129	13,568,330	13,313,748	13,198,659	13,113,885	4
Amortizable Assets						5
Total Plant In Service	24,889,275	24,087,696	25,473,654	25,061,061	25,248,371	6
Property Held For Future Use						7
Plant Under Construction	388,560	102,091	323,583	89,557	176,176	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	25,277,835	24,189,787	25,797,237	25,150,618	25,424,547	13
Less Acc. Prov. For Depreciation & Amort.	15,504,841	14,478,120	15,836,462	14,784,017	14,207,800	14
Net Total Utility Plant	\$9,772,994	\$9,711,667	\$9,960,775	\$10,366,601	\$11,216,747	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.64	1.44	1.32	1.01	0.76	16
Total Capitalization	\$15,123,950	\$15,291,639	\$15,347,300	\$15,228,164	\$15,508,824	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	5.3%	7.8%	10.4%	13.1%	15.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	91.1%	88.1%	85.4%	82.1%	79.2%	20
Short-Term Debt	3.6%	4.0%	4.2%	4.8%	5.3%	21
Pretax Coverage of Interest Expense	4.97	6.95	5.99	0.19	1.68	22
Com. Stock Dividends as a % of Earnings	32.2%	11.7%	10.4%	-29.6%	45.2%	23
Return on Common Equity	1.4%	3.5%	4.0%	-1.5%	1.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	151.3%	100.8%	55.2%	242.8%	343.1%	25
CWIP as a % of Plant	1.5%	0.4%	1.3%	0.4%	0.7%	26

Current Assets	5,897,529	6,505,316	4,774,083	3,532,927	2,493,551
Current Liabilities	3,606,896	4,527,105	3,617,677	3,510,034	3,298,939
Total Capitalization	15,123,950	15,291,639	15,347,300	15,228,164	15,508,824
Long-Term Debt	797,956	1,196,936	1,595,916	1,994,896	2,393,876
Preferred Stock					-
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,777,546	13,478,272	13,106,689	12,504,758	12,288,749
Short-Term Debt	548,448	616,431	644,695	728,510	826,199
Pretax Income	359,246	684,775	773,158	27,379	368,194
Interest Expense	72,290	98,595	128,986	142,750	218,671
Common Dividends Paid	59,651	54,146	53,818	53,747	53,559
Net Income (Excl. Preferred Stock Dividends)	185,006	461,745	516,232	(181,489)	118,614
Internal Cash	1,574,505	1,606,809	366,654	965,083	1,800,687
Cash Outflows for Construction	(1,040,437)	(1,593,304)	(664,193)	(397,545)	(524,783)
CWIP	388,560	102,091	323,583	89,557	176,176
Total Plant	25,277,835	24,189,786	25,797,237	25,150,618	25,424,547
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	24	24	21	19	21

Vernon Telephone Company, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	\$38,127	\$42,392	(\$57,159)	\$2,089	(\$16,925)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	351,814	404,279	380,864	524,127	535,205	2
Changes in Deferred Income Taxes	23,182	30,007	(32,621)	(23,641)	59,678	3
Changes in Working Capital	(58,458)	5,391	98,758	(80,847)	25,440	4
Capitalized AFDC - Equity						5
Other	(38,245)	14,928	(9,756)	(6,197)	(113,364)	6
Total Non-Cash Items	278,293	454,605	437,245	413,442	506,959	7
Net Cash Provided From Operating Activities	<u>316,420</u>	<u>496,997</u>	<u>380,086</u>	<u>415,531</u>	<u>490,034</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(178,127)	(246,281)	(159,937)	(90,460)	(135,761)	9
Purchase of Other Investments						10
Sale of Other Investments	6,498	(4,382)	78,184	17,171	4,866	11
Other						12
Net Cash Provided From Investing Activities	<u>(171,629)</u>	<u>(250,663)</u>	<u>(81,753)</u>	<u>(73,289)</u>	<u>(130,895)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing			(979)	(2,347)	48,733	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>(979)</u>	<u>(2,347)</u>	<u>48,733</u>	20
Net Increase (Decrease) in Cash & Equivalents	144,791	246,334	297,354	339,895	407,872	21
Cash & Equivalents at Beginning of Year	2,064,564	1,818,230	1,520,876	1,180,981	773,109	22
Cash & Equivalents at End of Year	\$2,209,355	\$2,064,564	\$1,818,230	\$1,520,876	\$1,180,981	23

Vernon Telephone Company, Inc.
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$1,705,558	\$1,716,943	\$1,704,708	\$1,884,933	\$1,907,394
2 Access Lines	1,717	1,803	1,939	2,088	2,298
DOLLAR AMOUNTS					
3 Wages and Benefits	\$601,614	\$577,240	565,683	\$319,951	\$456,757
4 Depreciation and Amortization	351,814	404,278	381,182	524,127	535,205
5 Other Operations Expense	623,326	701,246	639,712	961,598	931,511
6 Total Operation Expenses	1,576,754	1,682,764	1,586,577	1,805,676	1,923,473
7 Income Taxes - Operating Taxes	17,963	(17,412)	12,997	(2,167)	(43,999)
8 Other Taxes - Operating Taxes	77,874	85,469	81,438	86,730	112,602
9 Capital Costs	32,967	(33,878)	23,696	(5,306)	(84,682)
10 Total	\$1,705,558	\$1,716,943	\$1,704,708	\$1,884,933	\$1,907,394
PERCENT OF REVENUES					
11 Wages and Benefits	35.3	33.6	33.2	17.0	23.9
12 Depreciation and Amortization	20.6	23.5	22.4	27.8	28.1
13 Other Operations Expense	36.5	40.8	37.5	51.0	48.8
14 Income Taxes - Operating Taxes	1.1	(1.0)	0.8	(0.1)	(2.3)
15 Other Taxes - Operating Taxes	4.6	5.0	4.8	4.6	5.9
16 Capital Costs	1.9	(2.0)	1.4	(0.3)	(4.4)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	350.39	320.16	291.74	153.23	198.76
19 Depreciation and Amortization	204.90	224.23	196.59	251.02	232.90
20 Other Operations Expense	363.03	388.93	329.92	460.54	405.36
21 Income Taxes - Operating Taxes	10.46	(9.66)	6.70	(1.04)	(19.15)
22 Other Taxes - Operating Taxes	45.35	47.40	42.00	41.54	49.00
23 Capital Costs	19.20	(18.79)	12.22	(2.54)	(36.85)
24 Total	993.34	952.27	879.17	902.75	830.02

Vernon Telephone Company, Inc.
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$855,235	\$900,247	\$818,054	\$871,605	\$929,421	1
Central Office Assets	3,275,043	3,336,012	3,119,519	3,070,988	3,049,838	2
Information Origination/Termination	54,472	54,472	54,472	0	1,632	3
Cable And Wire Facilities	4,271,976	4,230,643	4,191,831	4,211,027	4,191,840	4
Amortizable Assets	64,518	31,877	43,078	129,160	167,667	5
Total Plant In Service	8,521,244	8,553,251	8,226,954	8,282,780	8,340,398	6
Property Held For Future Use						7
Plant Under Construction	6,190	34,597	94,886	3,054	46,459	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill	1,709,839	1,709,839	1,709,839	1,709,839	1,709,839	12
Total Telecommunications Plant	10,237,273	10,297,687	10,031,679	9,995,673	10,096,696	13
Less Acc. Prov. For Depreciation & Amort.	6,455,172	6,335,403	5,915,780	5,580,663	5,230,848	14
Net Total Utility Plant	\$3,782,101	\$3,962,284	\$4,115,899	\$4,415,010	\$4,865,848	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	10.54	6.93	7.39	4.66	4.54	16
Total Capitalization	\$5,116,254	\$5,082,540	\$5,044,837	\$5,103,119	\$5,006,512	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	99.9%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	16363.25	-3811.43	19.33	8.72	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	0.7%	0.8%	-1.1%	0.0%	-0.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	177.6%	201.8%	237.6%	459.4%	361.0%	25
CWIP as a % of Plant	0.1%	0.3%	0.9%	0.0%	0.5%	26

Current Assets	2,420,585	2,304,563	2,022,357	1,970,341	1,426,060
Current Liabilities	229,642	332,500	273,759	422,383	314,105
Total Capitalization	5,116,254	5,082,540	5,044,837	5,103,119	5,006,512
Long-Term Debt					978
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,116,254	5,082,540	5,044,837	5,102,140	5,003,186
Short-Term Debt				979	2,348
Pretax Income	58,869	65,453	(87,663)	3,614	(25,468)
Interest Expense		4	23	187	(2,919)
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	38,127	42,392	(57,159)	2,089	(16,925)
Internal Cash	316,420	496,997	380,086	415,531	490,034
Cash Outflows for Construction	(178,127)	(246,281)	(159,937)	(90,460)	(135,761)
CWIP	6,190	34,597	94,886	3,054	46,459
Total Plant	10,237,273	10,297,687	10,031,679	9,995,673	10,096,696
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	4	6

Warwick Valley Telephone Company
Statement of Cash Flows
For the Year Ended December 31,

	2012	2011	2010	2009	2008	
Cash Flows from Operating Activities						
Net Income	(\$1,067,598)	(\$2,732,307)	\$3,054,916	\$6,670,336	\$5,815,185	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,283,309	3,809,714	4,085,873	4,119,302	4,026,362	2
Changes in Deferred Income Taxes	(1,042,192)	(842,061)	(1,659,095)	(67,594)	(884,312)	3
Changes in Working Capital	9,007,281	(241,565)	2,951,025	(2,492,055)	(2,527,910)	4
Capitalized AFDC - Equity						5
Other	(5,520,553)	(3,819,815)	(9,166,355)	(19,413,453)	(16,448,130)	6
Total Non-Cash Items	5,727,845	(1,093,727)	(3,788,552)	(17,853,800)	(15,833,990)	7
Net Cash Provided From Operating Activities	<u>4,660,247</u>	<u>(3,826,034)</u>	<u>(733,636)</u>	<u>(11,183,464)</u>	<u>(10,018,805)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,810,838)	(2,117,896)	(1,079,907)	(1,150,805)	(1,581,754)	9
Purchase of Other Investments	(7,733,253)	(14,604,426)		(1,487,000)		10
Sale of Other Investments	1,976,579	(11,588)			21,641	11
Other	10,833,778	13,600,000	12,554,529	12,586,033	10,357,057	12
Net Cash Provided From Investing Activities	<u>3,266,266</u>	<u>(3,133,910)</u>	<u>11,474,622</u>	<u>9,948,228</u>	<u>8,796,944</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,138,974)	(1,518,974)	(1,518,632)	(1,518,632)	(1,518,632)	14
Common Stock	(107,000)	(321,000)	50,106	128,877	34,532	15
Preferred Stock						16
Short-Term Debt	(5,600,000)	5,600,000				17
Dividends Paid	(4,715,000)	(5,794,000)	(5,223,512)	4,710,742	4,264,024	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(11,560,974)</u>	<u>(2,033,974)</u>	<u>(6,692,038)</u>	<u>3,320,987</u>	<u>2,779,924</u>	20
Net Increase (Decrease) in Cash & Equivalents	(3,634,461)	(8,993,918)	4,048,948	2,085,751	1,558,063	21
Cash & Equivalents at Beginning of Year	4,339,461	13,333,379	9,284,431	7,198,680	5,640,617	22
Cash & Equivalents at End of Year	\$705,000	\$4,339,461	\$13,333,379	\$9,284,431	\$7,198,680	23

Warwick Valley Telephone Company
Distribution of Telephone Revenues
Years ended December 31,

	2012	2011	2010	2009	2008
1 Revenues	\$13,547,386	\$14,108,792	\$15,626,449	\$15,629,802	\$16,776,938
2 Access Lines	12,654	14,041	15,423	17,605	19,503
DOLLAR AMOUNTS					
3 Wages and Benefits	\$7,097,293	\$7,176,508	6,522,173	\$7,292,158	\$7,415,792
4 Depreciation and Amortization	3,283,309	3,769,571	4,067,126	4,106,702	4,001,162
5 Other Operations Expense	6,361,324	6,638,733	6,908,127	6,056,679	6,406,684
6 Total Operation Expenses	16,741,926	17,584,812	17,497,426	17,455,539	17,823,638
8 Income Taxes - Operating Taxes	926,993	833,430	3,117,273	2,885,656	2,782,178
9 Other Taxes - Operating Taxes	1,191,372	1,034,840	1,088,358	1,233,719	1,165,936
10 Capital Costs	(5,312,905)	(5,344,290)	(6,076,608)	(5,945,111)	(4,994,814)
11 Total	\$13,547,386	\$14,108,792	\$15,626,449	\$15,629,802	\$16,776,938
PERCENT OF REVENUES					
12 Wages and Benefits	52.4	50.9	41.7	46.7	44.2
13 Depreciation and Amortization	24.2	26.7	26.0	26.3	23.8
14 Other Operations Expense	47.0	47.1	44.2	38.8	38.2
16 Income Taxes - Operating Taxes	6.8	5.9	19.9	18.5	16.6
17 Other Taxes - Operating Taxes	8.8	7.3	7.0	7.9	6.9
18 Capital Costs	(39.2)	(37.9)	(38.9)	(38.0)	(29.8)
19 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
20 Wages and Benefits	560.87	511.11	422.89	414.21	380.24
21 Depreciation and Amortization	259.47	268.47	263.71	233.27	205.16
22 Other Operations Expense	502.71	472.81	447.91	344.03	328.50
24 Income Taxes - Operating Taxes	73.26	59.36	202.12	163.91	142.65
25 Other Taxes - Operating Taxes	94.15	73.70	70.57	70.08	59.78
26 Capital Costs	(419.86)	(380.62)	(394.00)	(337.69)	(256.10)
27 Total	1,070.60	1,004.83	1,013.19	887.80	860.22

Warwick Valley Telephone Company
Telecommunications Plant and Selected Ratios
For the Twelve Months Ended December 31,

	2012	2011	2010	2009	2008	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$10,099,921	\$9,883,787	\$9,676,768	\$9,687,136	\$9,682,317	1
Central Office Assets	31,856,345	31,125,031	30,124,610	29,758,313	29,203,750	2
Information Origination/Termination	1,843,667	1,838,672	1,832,947	1,822,654	1,815,013	3
Cable And Wire Facilities	30,855,341	30,285,438	29,644,607	28,885,001	28,312,847	4
Amortizable Assets						5
Total Plant In Service	74,655,273	73,132,928	71,278,932	70,153,104	69,013,928	6
Property Held For Future Use						7
Plant Under Construction	33,576	151,091	82,994	180,357	144,105	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	74,688,849	73,284,019	71,361,926	70,333,461	69,158,033	13
Less Acc. Prov. For Depreciation & Amort.	53,578,072	50,576,212	46,882,002	42,975,607	38,831,682	14
Net Total Utility Plant	\$21,110,777	\$22,707,807	\$24,479,924	\$27,357,854	\$30,326,351	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.16	1.26	1.24	1.23	1.36	16
Total Capitalization	\$21,863,592	\$32,941,727	\$38,945,381	\$41,757,965	\$40,588,917	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			2.9%	6.4%	10.3%	18
Preferred Stock		1.5%	1.3%	1.2%	1.2%	19
Common Stock & Retained Earnings	100.0%	78.0%	91.9%	88.8%	84.7%	20
Short-Term Debt		20.5%	3.9%	3.6%	3.7%	21
Pretax Coverage of Interest Expense	0.60	3.49	62.79	98.21	78.67	22
Com. Stock Dividends as a % of Earnings		-1270.0%	171.6%	68.9%	74.1%	23
Return on Common Equity	-4.5%	-1.5%	8.3%	19.2%	16.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	257.4%	-71.9%	-66.2%	-952.1%	-633.4%	25
CWIP as a % of Plant	0.0%	0.2%	0.1%	0.3%	0.2%	26

Current Assets	54,766,037	54,773,949	47,377,066	36,669,468	27,195,490
Current Liabilities	47,356,454	43,476,514	38,165,194	29,701,338	20,064,421
Total Capitalization	21,863,592	32,941,727	38,945,381	41,757,965	40,588,917
Long-Term Debt			1,138,974	2,657,606	4,176,238
Preferred Stock		500,000	500,000	500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	21,863,592	25,702,753	35,787,774	37,081,726	34,394,046
Short-Term Debt		6,738,974	1,518,633	1,518,633	1,518,633
Pretax Income	212,438	566,624	6,272,086	9,883,674	8,708,052
Interest Expense	353,043	162,513	99,897	100,640	110,689
Common Dividends Paid		5,769,890	5,198,512	4,735,742	4,289,024
Net Income (Excl. Preferred Stock Dividends)	(1,067,598)	(454,319)	3,029,916	6,872,378	5,790,185
Internal Cash	4,660,247	(1,523,046)	(714,887)	(10,956,422)	(10,018,807)
Cash Outflows for Construction	(1,810,838)	(2,117,896)	(1,079,907)	(1,150,805)	(1,581,754)
CWIP	33,576	151,091	82,994	180,357	144,105
Total Plant	74,688,849	73,284,019	71,361,926	70,333,461	69,158,032
Shares Outstanding		6,218,800	5,975,000	59,908,000	5,985,463
Number of Employees	160	139	111	110	106