

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$472,860)	(\$705,132)	(\$730,665)	(\$652,894)	(\$263,345)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,382,532	1,495,447	1,579,631	1,666,033	1,829,710	2
Changes in Deferred Income Taxes	139,996	(181,360)	(264,312)	(71,265)	(154,292)	3
Changes in Working Capital	(156,947)	(301,407)	64,514	(318,317)	(661,206)	4
Capitalized AFDC - Equity	(15)	(19)	(173)	(89)	33	5
Other	202,478	394,377	555,465	260,322	290,054	6
Total Non-Cash Items	1,568,043	1,407,038	1,935,125	1,536,683	1,304,300	7
Net Cash Provided From Operating Activities	<u>1,095,183</u>	<u>701,906</u>	<u>1,204,460</u>	<u>883,790</u>	<u>1,040,955</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,359,375)	(1,428,812)	(1,411,570)	(1,399,597)	(1,446,474)	9
Purchase of Other Investments	(26,941)	(28,183)	(103,546)	(266,998)	(83,440)	10
Sale of Other Investments	56,778	(52,135)	77,496	(76,080)	193,852	11
Other	(74,758)	(9,871)	10,240	9,392	8,895	12
Net Cash Provided From Investing Activities	<u>(1,404,298)</u>	<u>(1,519,002)</u>	<u>(1,427,381)</u>	<u>(1,733,284)</u>	<u>(1,327,166)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(4,038)	(255,665)	(8,669)	(10,452)	(212,114)	14
Common Stock	(531)	(600)	(1,392)	(2,644)	(1,996)	15
Preferred Stock	(610)		(13)	77	(86)	16
Short-Term Debt	451,783	785,603	(1,563,543)	904,043	55,835	17
Dividends Paid	(145,431)	(167,809)	(214,682)	(26,467)	(106,114)	18
Other Financing	7,927	465,248	2,011,374	(11,206)	526,490	19
	(972)	(466,443)	(15,436)	(1,715)	38,474	
Net Cash Provided From Financing Activities	<u>308,128</u>	<u>360,333</u>	<u>207,639</u>	<u>851,638</u>	<u>300,488</u>	20
Net Increase (Decrease) in Cash & Equivalents	(986)	(456,763)	(15,282)	2,144	14,276	21
Cash & Equivalents at Beginning of Year	61,157	517,920	533,202	531,058	516,782	22
Cash & Equivalents at End of Year	\$60,171	\$61,157	\$517,920	\$533,202	\$531,058	23

Table 5 T

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,932,296	\$6,250,093	\$6,298,242	\$6,721,298	\$7,139,842
2 Access Lines	6,025,573	6,801,941	7,698,365	8,638,065	9,694,056
DOLLAR AMOUNTS					
3 Wages and Benefits	\$3,058,238	\$3,037,533	\$3,501,177	\$3,564,384	\$3,548,841
4 Depreciation and Amortization	1,386,223	1,498,255	1,580,841	1,703,941	1,831,106
5 Other Operations Expense	2,378,785	2,221,770	2,001,026	1,962,714	1,908,327
6 Total Operation Expenses	6,823,246	6,757,558	7,083,044	7,231,039	7,288,274
7 Income Taxes - Operating Taxes	(629,919)	(471,288)	(453,677)	(373,935)	(196,012)
8 Other Taxes - Operating Taxes	501,179	517,954	531,019	577,345	557,259
9 Capital Costs	(762,209)	(554,130)	(862,145)	(713,151)	(509,680)
10 Total	\$5,932,296	\$6,250,093	\$6,298,242	\$6,721,298	\$7,139,842
PERCENT OF REVENUES					
11 Wages and Benefits	51.6	48.6	55.6	53.0	49.7
12 Depreciation and Amortization	23.4	24.0	25.1	25.4	25.6
13 Other Operations Expense	40.1	35.5	31.8	29.2	26.7
14 Income Taxes - Operating Taxes	(10.6)	(7.5)	(7.2)	(5.6)	(2.7)
15 Other Taxes - Operating Taxes	8.4	8.3	8.4	8.6	7.8
16 Capital Costs	(12.8)	(8.9)	(13.7)	(10.6)	(7.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	507.54	446.57	454.79	412.64	366.08
19 Depreciation and Amortization	230.06	220.27	205.35	197.26	188.89
20 Other Operations Expense	394.78	326.64	259.93	227.22	196.86
21 Income Taxes - Operating Taxes	(104.54)	(69.29)	(58.93)	(43.29)	(20.22)
22 Other Taxes - Operating Taxes	83.18	76.15	68.98	66.84	57.48
23 Capital Costs	(126.50)	(81.47)	(111.99)	(82.56)	(52.58)
24 Total	984.52	918.87	818.13	778.10	736.52

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,793,073.72	\$3,826,633.10	\$3,792,754.74	\$3,945,420.93	\$4,184,600.63	1
Central Office Assets	13,075,934	12,965,298	13,124,278	13,571,496	13,862,208	2
Information Origination/Termination	366,947	418,072	482,001	508,501	625,103	3
Cable And Wire Facilities	17,052,905	16,272,054	15,441,296	14,581,679	13,362,619	4
Amortizable Assets	329,084	339,161	404,297	553,043	792,504	5
Total Plant In Service	34,617,944	33,821,218	33,244,627	33,160,141	32,827,035	6
Property Held For Future Use	11	1,863	107	1,963	1,920	7
Plant Under Construction	242,256	212,476	282,575	414,826	359,717	8
		52	245	73		
Tel. Acquisition	142,895	142,477	142,620	142,620	142,620	9
		143				
Other Plant	(0)	(0)	275	423	423	10
		275				
Nonoperating Plant	13,806	18,045	20,260	28,925	34,179	11
Goodwill	1,710	1,710	1,710	5,112		12
Total Telecommunications Plant	35,018,621	34,198,259	33,692,420	33,754,085	33,365,894	13
Less Acc. Prov. For Depreciation & Amort.	23,483,253	22,712,098	22,113,415	21,927,813	20,390,940	14
Net Total Utility Plant	\$11,535,368	\$11,486,161	\$11,579,004	\$11,826,271	\$12,974,955	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.28	0.39	0.47	0.38	0.46	16
Total Capitalization (\$000)	\$8,215,473	\$8,241,223	\$8,600,176	\$9,078,717	\$8,469,620	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	27.7%	32.5%	31.3%	32.4%	34.9%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	27.1%	32.8%	41.7%	27.5%	32.9%	20
Short-Term Debt	45.2%	34.7%	27.0%	40.0%	32.2%	21
Pretax Coverage of Interest Expense	-2.53	-2.82	-2.95	-2.12	-0.87	22
Com. Stock Dividends as a % of Earnings	-31.8%	-23.8%	-6.1%	-3.0%	-21.0%	23
Return on Common Equity	-19.4%	-22.5%	-34.8%	-33.6%	-19.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	84.6%	53.5%	89.8%	63.1%	72.0%	25
CWIP as a % of Plant	0.7%	0.6%	0.8%	1.7%	1.4%	26

Notes:

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

Current Assets	1,380,200,458	1,750,851,743	1,957,961,483	2,072,854,046	2,176,552,854
Current Liabilities	4,957,165,881	4,521,797,752	4,125,551,880	5,390,590,531	4,782,057,794
Total Capitalization	8,215,472,880	8,241,223,402	8,600,176,463	9,078,716,598	8,469,620,384
Long-Term Debt	2,277,240,295	2,680,810,946	2,688,366,631	2,943,850,943	2,954,250,938
Preferred Stock	925,100	926,700	926,700	926,700	926,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,227,968,293	2,702,544,894	3,588,933,617	2,499,902,166	2,784,126,273
Short-Term Debt	3,709,339,193	2,856,940,862	2,321,949,515	3,634,036,789	2,730,316,474
Pretax Income	(773,641,885)	(858,317,664)	(1,117,726,167)	(847,486,260)	(314,242,344)
Interest Expense	305,571,573	304,823,109	378,941,994	399,100,895	360,573,682
Dividends Paid	151,650,438	168,937,761	65,085,033	26,514,289	105,747,507
Net Income (Excl. Preferred Stock Dividends)	(477,392,904)	(708,973,541)	(1,058,793,271)	(888,296,403)	(503,153,230)
Internal Cash	1,149,612,620	763,956,642	1,268,216,635	883,819,292	1,040,965,082
Cash Outflows for Construction	(1,359,375,481)	(1,428,570,895)	(1,411,570,136)	(1,399,597,093)	(1,446,474,317)
CWIP	242,413,368	212,527,486	282,820,393	545,906,910	437,168,044
Total Plant	35,018,620,799	34,198,294,520	34,316,182,250	32,824,491,588	32,344,200,784
Shares Outstanding	61,497,723	7,575,237	7,575,235	7,575,235	7,575,710
Number of Employees	21,357	22,365	24,503	26,605	27,937

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$118,314	\$155,467	\$180,850	\$165,910	\$161,588	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	153,532	161,981	175,373	139,961	178,022	2
Changes in Deferred Income Taxes	14,814	336	(20,275)	18,531	24,334	3
Changes in Working Capital	(48,227)	(13,911)	36,453	11,912	(81,731)	4
Capitalized AFDC - Equity	(15)	(19)	(173)	(89)	33	5
Other	(17,461)	(24,666)	1,733	434	(6,404)	6
Total Non-Cash Items	102,643	123,721	193,110	170,750	114,254	7
Net Cash Provided From Operating Activities	<u>220,957</u>	<u>279,189</u>	<u>373,960</u>	<u>336,660</u>	<u>275,842</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(54,817)	(59,357)	(83,340)	(59,263)	(100,985)	10
Purchase of Other Investments	(24,064)	(29,567)	(77,185)	(260,202)	(90,235)	11
Sale of Other Investments	3,140	3,134	2,019	19,494	10,064	12
Other	4,415	(9,871)	10,240	9,392	8,895	13
Net Cash Provided From Investing Activities	<u>(71,328)</u>	<u>(95,660)</u>	<u>(148,267)</u>	<u>(290,580)</u>	<u>(172,261)</u>	
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(4,038)	(5,665)	(8,669)	(9,413)	(14,303)	14
Common Stock	(531)	(607)	(1,392)	(2,644)	(1,996)	15
Preferred Stock	(610)		(13)	77	(86)	16
Short-Term Debt	92	259	(1,186)	(3,630)	(8,483)	17
Dividends Paid	(145,431)	(167,809)	(214,682)	(26,467)	(106,114)	18
Other Financing	875	(26)	405	(111)	3,228	19
				335	252	
Net Cash Provided From Financing Activities	<u>(149,644)</u>	<u>(173,848)</u>	<u>(225,537)</u>	<u>(41,851)</u>	<u>(127,502)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(14)	9,681	156	4,228	(23,921)	21
Cash & Equivalents at Beginning of Year	59,927	50,246	50,090	45,861	69,783	22
Cash & Equivalents at End of Year	\$59,912	\$59,927	\$50,246	\$50,090	\$45,861	23

Table 5 WT

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

	2009	2008	2007	2006	2005
1 Revenues	\$756,339	\$796,787	\$851,977	\$876,280	\$904,748
2 Access Lines	748,301	809,163	897,260	1,052,303	1,152,835
DOLLAR AMOUNTS					
3 Wages and Benefits	\$121,946	\$132,803	\$145,232	\$146,614	\$164,776
4 Depreciation and Amortization	157,223	164,789	176,583	177,868	179,417
5 Other Operations Expense	251,542	247,301	248,403	274,179	266,232
6 Total Operation Expenses	530,711	544,893	570,217	598,662	610,425
7 Income Taxes - Operating Taxes	47,461	70,167	78,772	80,593	82,177
8 Other Taxes - Operating Taxes	50,487	51,411	49,892	52,976	50,914
9 Capital Costs	127,680	130,316	153,095	144,048	161,233
10 Total	\$756,339	\$796,787	\$851,977	\$876,280	\$904,748
PERCENT OF REVENUES					
11 Wages and Benefits	16.1	16.7	17.0	16.7	18.2
12 Depreciation and Amortization	20.8	20.7	20.7	20.3	19.8
13 Other Operations Expense	33.3	31.0	29.2	31.3	29.4
14 Income Taxes - Operating Taxes	6.3	8.8	9.2	9.2	9.1
15 Other Taxes - Operating Taxes	6.7	6.5	5.9	6.0	5.6
16 Capital Costs	16.9	16.4	18.0	16.4	17.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	162.96	164.12	161.86	139.33	142.93
19 Depreciation and Amortization	210.11	203.65	196.80	169.03	155.63
20 Other Operations Expense	336.15	305.63	276.85	260.55	230.94
21 Income Taxes - Operating Taxes	63.42	86.71	87.79	76.59	71.28
22 Other Taxes - Operating Taxes	67.47	63.54	55.61	50.34	44.16
23 Capital Costs	170.63	161.05	170.62	136.89	139.86
24 Total	1,010.74	984.71	949.53	832.73	784.80

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$335,388	\$333,532	\$337,411	\$331,280	\$547,997	1
Central Office Assets	1,441,905	1,420,809	1,391,412	1,367,813	1,441,414	2
Information Origination/Termination	40,120	41,411	40,960	40,578	152,846	3
Cable And Wire Facilities	1,693,959	1,665,196	1,626,864	1,593,952	987,411	4
Amortizable Assets	17,583	17,737	17,580	17,964	190,100	5
Total Plant In Service	3,528,955	3,478,685	3,414,227	3,351,587	3,319,768	6
Property Held For Future Use	11	106	107	107	63	7
Plant Under Construction	25,298	31,098	47,124	41,115	92,464	8
Tel. Acquisition	142,895	142,477	142,620	142,620	142,620	9
Other Plant	(0)	(0)	275	423	423	10
Nonoperating Plant	798	1,609	1,543	1,754	(3,440)	11
Goodwill	1,710	1,710	1,710	5,112		12
Total Telecommunications Plant	3,699,667	3,655,685	3,607,606	3,542,719	3,551,899	13
Less Acc. Prov. For Depreciation & Amort.						14
Net Total Utility Plant						15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.12	1.79	1.57	1.94	0.22	16
Total Capitalization (\$000)	\$1,492,148	\$1,537,827	\$1,569,326	\$1,608,058	\$1,358,801	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	1.8%	2.0%	2.4%	2.7%	5.3%	18
Preferred Stock	0.1%	0.1%	0.1%	0.1%	0.1%	19
Common Stock & Retained Earnings	97.7%	97.5%	97.1%	96.8%	83.7%	20
Short-Term Debt	0.5%	0.5%	0.4%	0.4%	10.9%	21
Pretax Coverage of Interest Expense	17.50	26.20	26.05	24.55	1.69	22
Com. Stock Dividends as a % of Earnings	133.3%	111.4%	36.0%	16.0%	39.5%	23
Return on Common Equity	#REF!	10.0%	11.7%	12.3%	16.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	502.4%	577.2%	525.2%	568.1%	-2159.5%	25
CWIP as a % of Plant	0.7%	0.9%	1.1%	6.6%	8.4%	26

Notes:

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

Current Assets	318,937,113	283,420,338	277,283,963	280,509,309	142,379,850
Current Liabilities	150,169,669	158,121,669	176,668,608	144,698,396	641,264,710
Total Capitalization	1,492,148,351	1,537,827,439	1,569,325,620	1,608,058,075	1,358,800,723
Long-Term Debt	26,137,678	31,122,842	37,206,553	43,479,066	72,260,739
Preferred Stock	925,100	926,700	926,700	926,700	1,012,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,457,337,532	1,498,746,492	1,524,344,433	1,556,943,360	1,137,751,806
Short-Term Debt	7,748,042	7,031,405	6,847,933	6,708,949	147,775,478
Pretax Income	189,200,202	243,279,745	279,342,692	260,380,396	(59,165,222)
Interest Expense	10,813,122	9,287,073	10,722,688	10,605,796	(35,036,068)
Dividends Paid	151,650,438	168,937,761	65,085,033	26,514,289	100,116,505
Net Income (Excl. Preferred Stock Dividends)	113,781,786	151,625,513	180,826,931	165,280,396	253,773,649
Internal Cash	275,386,596	341,239,317	437,716,193	336,689,067	603,425,793
Cash Outflows for Construction	(54,817,494)	(59,115,275)	(83,340,377)	(59,263,492)	27,942,276
CWIP	25,456,071	31,149,821	47,369,446	172,195,953	223,300,322
Total Plant	3,699,667,489	3,656,190,559	4,231,614,112	2,613,198,605	2,668,892,191
Shares Outstanding	61,497,722	7,575,236	7,575,234	7,575,234	7,575,564
Number of Employees	1,684	1,817	1,941	2,144	3,223

Table 4 AT

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$507,173)	(\$753,414)	(\$788,351)	(\$713,931)	(\$324,212)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,337,827	1,446,423	1,525,445	1,610,468	1,775,806	2
Changes in Deferred Income Taxes	137,514	(183,163)	(261,084)	(69,235)	(156,058)	3
Changes in Working Capital	(143,051)	(305,649)	66,880	(332,591)	(649,609)	4
Capitalized AFDC - Equity					119	5
Other	227,204	423,685	559,264	269,975	302,821	6
Total Non-Cash Items	1,559,494	1,381,297	1,890,504	1,478,616	1,273,080	7
Net Cash Provided From Operating Activities	<u>1,052,320</u>	<u>627,883</u>	<u>1,102,153</u>	<u>764,685</u>	<u>948,868</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,340,633)	(1,405,099)	(1,385,446)	(1,360,004)	(1,412,291)	9
Purchase of Other Investments	2,532	(23,517)	(90,030)	(204,585)	(50,649)	10
Sale of Other Investments	53,638	(55,269)	75,867	(95,574)	186,358	11
Other	(86,310)	(15,752)			(0)	12
Net Cash Provided From Investing Activities	<u>(1,370,773)</u>	<u>(1,499,639)</u>	<u>(1,399,610)</u>	<u>(1,660,163)</u>	<u>(1,276,582)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(250,000)		(1,039)	(197,812)	14
Common Stock		7				15
Preferred Stock						16
Short-Term Debt	451,691	785,344	(1,562,357)	907,673	64,318	17
Dividends Paid	(140,000)	(125,000)	(155,000)		(62,500)	18
Other Financing	7,053	465,273	2,010,968	(11,095)	523,262	19
	(972)	(466,443)	(15,436)	(2,049)	38,221	
Net Cash Provided From Financing Activities	<u>317,772</u>	<u>409,181</u>	<u>278,175</u>	<u>893,490</u>	<u>365,490</u>	20
Net Increase (Decrease) in Cash & Equivalents	(681)	(462,575)	(19,281)	(1,987)	37,776	21
Cash & Equivalents at Beginning of Year	1,771	464,346	483,628	485,615	447,839	22
Cash & Equivalents at End of Year	\$1,090	\$1,771	\$464,346	\$483,628	\$485,615	23

Table 5 AT

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

	2009	2008	2007	2006	2,005
1 Revenues	\$5,683,483	\$5,988,066	\$6,014,329	\$6,423,471	\$6,827,479
2 Access Lines	5,744,148	6,498,995	7,361,790	8,272,754	9,296,448
DOLLAR AMOUNTS					
3 Wages and Benefits	\$3,003,496	\$2,979,239	\$3,443,004	\$3,505,311	\$3,483,696
4 Depreciation and Amortization	1,337,827	1,446,423	1,525,445	1,595,485	1,776,499
5 Other Operations Expense	2,285,680	2,125,047	1,897,730	1,786,123	1,811,983
6 Total Operation Expenses	6,627,002	6,550,709	6,866,178	6,867,720	7,072,178
7 Income Taxes - Operating Taxes	(645,196)	(489,215)	(473,836)	(432,705)	(222,732)
8 Other Taxes - Operating Taxes	484,621	501,523	513,725	545,810	541,103
9 Capital Costs	(782,944)	(574,951)	(891,738)	(557,354)	(563,070)
10 Total	\$5,683,483	\$5,988,066	\$6,014,329	\$6,423,471	\$6,827,479
PERCENT OF REVENUES					
11 Wages and Benefits	52.8	49.8	57.2	54.6	51.0
12 Depreciation and Amortization	23.5	24.2	25.4	24.8	26.0
13 Other Operations Expense	40.2	35.5	31.6	27.8	26.5
14 Income Taxes - Operating Taxes	(11.4)	(8.2)	(7.9)	(6.7)	(3.3)
15 Other Taxes - Operating Taxes	8.5	8.4	8.5	8.5	7.9
16 Capital Costs	(13.8)	(9.6)	(14.8)	(8.7)	(8.2)
17 Total	100.0	100.0	100.0	100.3	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	522.88	458.42	467.69	423.72	374.73
19 Depreciation and Amortization	232.90	222.56	207.21	192.86	191.09
20 Other Operations Expense	397.91	326.98	257.78	215.90	194.91
21 Income Taxes - Operating Taxes	(112.32)	(75.28)	(64.36)	(52.30)	(23.96)
22 Other Taxes - Operating Taxes	84.37	77.17	69.78	65.98	58.21
23 Capital Costs	(136.30)	(88.47)	(121.13)	(67.37)	(60.57)
24 Total	989.44	921.38	816.97	778.78	734.42

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

	2009	2008	2007	2006	2,005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,661,651	\$3,695,127	\$3,661,426	\$3,816,356	\$3,837,092	1
Central Office Assets	12,642,021	12,536,524	12,701,434	13,156,035	13,352,128	2
Information Origination/Termination	358,033	410,528	474,591	501,019	508,012	3
Cable And Wire Facilities	16,546,250	15,772,965	14,953,737	14,106,162	13,473,802	4
Amortizable Assets	327,560	337,466	402,554	550,991	618,435	5
Total Plant In Service	33,535,516	32,752,612	32,193,742	32,130,563	31,789,468	6
Property Held For Future Use		1,757		1,857	1,857	7
Plant Under Construction	236,159	204,219	271,437	401,879	292,867	8
Tel. Acquisition	142,405	142,405	142,405	142,405	142,405	9
Other Plant						10
Nonoperating Plant	13,047	16,473	18,755	27,210	37,656	11
Goodwill						12
Total Telecommunications Plant	33,927,127	33,117,466	32,626,339	32,703,913	32,264,254	13
Less Acc. Prov. For Depreciation & Amort.	22,714,222	21,978,483	21,415,686	21,273,212	20,616,772	14
Net Total Utility Plant	\$11,212,905	\$11,138,984	\$11,210,654	\$11,430,701	\$11,647,481	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.25	0.36	0.45	0.36	0.43	16
Total Capitalization (\$000)	\$7,657,762	\$7,693,832	\$8,039,102	\$8,510,746	\$7,918,896	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	29.4%	34.4%	33.0%	34.1%	36.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	22.3%	25.1%	38.2%	23.3%	29.0%	20
Short-Term Debt	48.3%	37.5%	28.8%	42.6%	34.3%	21
Pretax Coverage of Interest Expense	-2.72	-2.31	-3.21	-2.39	-1.17	22
Com. Stock Dividends as a % of Earnings	-27.6%	-13.2%	-0.4%		-11.1%	23
Return on Common Equity	#REF!	-19.8%	-44.2%	-44.3%	-26.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	82.0%	42.9%	83.6%	56.2%	67.2%	25
CWIP as a % of Plant	0.7%	0.6%	0.8%	1.7%	1.3%	26

Notes:

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

Current Assets	1,226,940	1,602,853	1,824,577	1,944,357	2,036,629
Current Liabilities	4,890,419	4,450,005	4,066,664	5,328,963	4,721,259
Total Capitalization	7,657,762	7,693,832	8,039,102	8,510,746	7,918,896
Long-Term Debt	2,251,103	2,649,688	2,651,160	2,900,372	2,899,241
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,705,068	1,929,507	3,072,840	1,983,046	2,299,811
Short-Term Debt	3,701,591	2,883,557	2,315,102	3,627,328	2,719,843
Pretax Income	(822,978)	(699,738)	(1,203,883)	(942,755)	(413,230)
Interest Expense	302,962	302,964	374,943	394,556	354,560
Dividends Paid	140,000	65,000	5,000		62,500
Net Income (Excl. Preferred Stock Dividends)	(507,173)	(494,241)	(1,116,456)	(948,704)	(564,031)
Internal Cash	1,098,979	555,818	1,158,737	764,685	948,865
Cash Outflows for Construction	(1,340,633)	(1,296,016)	(1,385,446)	(1,360,004)	(1,412,291)
CWIP	236,159	192,116	271,437	532,887	423,297
Total Plant	33,927,127	32,065,240	32,626,339	31,774,284	31,364,689
Shares Outstanding	0	57,363	0	0	0
Number of Employees	20,475	132,212,077	23,562	25,669	26,953

Table 4 BT

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$34,313	\$48,282	\$57,686	\$61,037	\$60,867	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	44,705	49,024	54,187	55,565	53,904	2
Changes in Deferred Income Taxes	2,482	1,802	(3,227)	(2,030)	1,767	3
Changes in Working Capital	(13,896)	4,242	(2,366)	14,274	(11,597)	4
Capitalized AFDC - Equity	(15)	(19)	(173)	(89)	(87)	5
Other	(24,726)	(29,308)	(3,799)	(9,653)	(12,767)	6
Total Non-Cash Items	8,550	25,741	44,621	58,067	31,220	7
Net Cash Provided From Operating Activities	<u>42,863</u>	<u>74,023</u>	<u>102,307</u>	<u>119,104</u>	<u>92,087</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(18,743)	(23,713)	(26,124)	(39,593)	(34,183)	9
Purchase of Other Investments	(29,473)	(4,666)	(13,515)	(62,413)	(32,791)	10
Sale of Other Investments	3,140	3,134	1,629	19,494	7,494	11
Other	11,552	5,881	10,240	9,392	8,896	12
Net Cash Provided From Investing Activities	<u>(33,525)</u>	<u>(19,363)</u>	<u>(27,771)</u>	<u>(73,121)</u>	<u>(50,584)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)					-	
Long-Term Debt	(4,038)	(5,665)	(8,669)	(9,413)	(14,303)	14
Common Stock	(531)	(607)	(1,392)	(2,644)	(1,996)	15
Preferred Stock	(610)	-	(13)	77	(86)	16
Short-Term Debt	92	259	(1,186)	(3,630)	(8,483)	17
Dividends Paid	(5,431)	(42,809)	(59,682)	(26,467)	(43,614)	18
Other Financing	875	(26)	405	(112)	3,228	19
	-	-	-	334	252	
Net Cash Provided From Financing Activities	<u>(9,644)</u>	<u>(48,848)</u>	<u>(70,537)</u>	<u>(41,854)</u>	<u>(65,002)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(305)	5,812	4,000	4,130	(23,499)	21
Cash & Equivalents at Beginning of Year	59,386	53,574	49,574	45,444	68,943	22
Cash & Equivalents at End of Year	\$59,081	\$59,386	\$53,574	\$49,574	\$45,443	23

Table 5 BT

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

	2009	2008	2007	2006	2005
1 Revenues	\$248,813	\$262,027	\$283,913	\$297,827	\$312,363
2 Access Lines	281,425	302,946	336,575	365,311	397,608
DOLLAR AMOUNTS					
3 Wages and Benefits	54,742	58,294	58,173	59,073	65,145
4 Depreciation and Amortization	48,396	51,832	55,397	108,456	54,606
5 Other Operations Expense	93,105	96,723	103,296	176,591	96,345
6 Total Operation Expenses	196,243	206,849	216,865	363,318	216,096
7 Income Taxes - Operating Taxes	15,276	17,927	20,160	58,769	26,721
8 Other Taxes - Operating Taxes	16,558	16,431	17,294	31,535	16,156
9 Capital Costs	20,735	20,821	29,593	(155,796)	53,390
10 Total	\$248,813	\$262,027	\$283,913	\$297,827	\$312,363
PERCENT OF REVENUES					
11 Wages and Benefits	22.0	22.2	20.5	19.8	20.9
12 Depreciation and Amortization	19.5	19.8	19.5	36.4	17.5
13 Other Operations Expense	37.4	36.9	36.4	59.3	30.8
14 Income Taxes - Operating Taxes	6.1	6.8	7.1	19.7	8.6
15 Other Taxes - Operating Taxes	6.7	6.3	6.1	10.6	5.2
16 Capital Costs	8.3	7.9	10.4	(52.3)	17.1
17 Total	100.0	100.0	100.0	93.6	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	195	192	173	162	164
19 Depreciation and Amortization	172	171	165	297	137
20 Other Operations Expense	331	319	307	483	242
21 Income Taxes - Operating Taxes	54	59	60	161	67
22 Other Taxes - Operating Taxes	59	54	51	86	41
23 Capital Costs	74	69	88	(426)	134
24 Total Annual	884	865	844	763	786

Table 6 BT

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$131,423	\$131,506	\$131,329	\$129,065	\$126,568	1
Central Office Assets	433,913	428,774	422,844	415,461	404,596	2
Information Origination/Termination	8,914	7,544	7,410	7,482	5,695	3
Cable And Wire Facilities	506,655	499,089	487,559	475,517	462,863	4
Amortizable Assets	1,523	1,694	1,743	2,052	6,211	5
Total Plant In Service	1,082,428	1,068,607	1,050,885	1,029,578	1,005,933	6
Property Held For Future Use	11	106	107	107	107	7
Plant Under Construction	6,096	8,257	11,138	12,947	13,871	8
		52	245	73		
Tel. Acquisition	490	72	215	215	215	9
		143				
Other Plant	(0)	(0)	275	423	423	10
		275				
Nonoperating Plant	759	1,571	1,505	1,716	1,518	11
		36	36	36		
Goodwill	1,710	1,710	1,710	5,112		12
Total Telecommunications Plant	1,091,494	1,080,828	1,066,116	1,050,207	1,101,640	13
Less Acc. Prov. For Depreciation & Amort.	769,031	733,615	697,730	654,601	610,054	14
Net Total Utility Plant	\$322,463	\$347,213	\$368,386	\$395,606	\$491,587	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.30	2.06	2.27	2.09	2.30	16
Total Capitalization (\$000)	\$557,711	\$547,391	\$561,074	\$567,971	\$550,724	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	4.7%	5.7%	6.6%	7.7%	10.0%	18
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	93.8%	92.9%	92.0%	91.0%	87.9%	20
Short-Term Debt	1.4%	1.3%	1.2%	1.2%	1.9%	21
Pretax Coverage of Interest Expense	18.90	37.18	21.55	20.96	16.46	22
Com. Stock Dividends as a % of Earnings	39.1%	98.9%	104.2%	43.9%	71.0%	23
Return on Common Equity	5.8%	8.7%	11.2%	12.1%	12.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	270.2%	323.6%	419.1%	300.9%	269.4%	25
CWIP as a % of Plant	0.6%	0.8%	0.7%	1.2%	1.4%	26

Current Assets	153,261	147,998	133,384	128,497	139,923
Current Liabilities	66,746	71,793	58,888	61,627	60,799
Total Capitalization	557,711	547,391	561,074	567,971	550,724
Long-Term Debt	26,138	31,123	37,207	43,479	55,009
Preferred Stock	925	927	927	927	927
Common Stock and Retained Earnings (Excl. Preferred Stock)	522,900	508,310	516,093	516,856	484,315
Short-Term Debt	7,748	7,031	6,848	6,709	10,473
Pretax Income	49,336	69,097	86,157	95,269	98,987
Interest Expense	2,610	1,858	3,999	4,545	6,014
Dividends Paid	11,650	43,938	60,085	26,514	43,248
Net Income (Excl. Preferred Stock Dividends)	29,781	44,440	57,663	60,408	60,878
Internal Cash	50,634	75,947	109,480	119,134	92,100
Cash Outflows for Construction	(18,743)	(23,471)	(26,124)	(39,593)	(34,183)
CWIP	6,254	8,308	11,383	13,020	13,871
Total Plant	1,091,494	1,080,828	1,689,843	1,050,207	979,512
Shares Outstanding	61,498	7,575	7,575	7,575	7,576
Number of Employees	882	929	941	936	984

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$3,541,882	\$6,487,089	\$18,512,892	\$6,339,521	\$6,711,334	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	8,385,425	8,815,437	10,218,267	9,887,642	9,681,082	2
Changes in Deferred Income Taxes	693,269	(1,168)	(1,431,958)	(2,225,131)	(1,744,640)	3
Changes in Working Capital	(7,842,339)	3,349,493	(2,823,779)	5,120,445	(423,574)	4
Capitalized AFDC - Equity	(15,342)	(18,680)	(57,469)	(72,179)	(74,907)	5
Other	(104,141)	117,829	(343,458)	2,562,481	481,562	6
Total Non-Cash Items	1,116,872	12,262,911	5,561,603	15,273,258	7,919,523	7
Net Cash Provided From Operating Activities	<u>4,658,754</u>	<u>18,750,000</u>	<u>24,074,495</u>	<u>21,612,779</u>	<u>14,630,857</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(3,772,174)	(3,738,335)	(2,286,769)	(8,999,542)	(6,954,855)	9
Purchase of Other Investments	0					10
Sale of Other Investments	0					11
Other	0					12
Net Cash Provided From Investing Activities	<u>(3,772,174)</u>	<u>(3,738,335)</u>	<u>(2,286,769)</u>	<u>(8,999,542)</u>	<u>(6,954,855)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments):						
Long-Term Debt	0			(8,456,800)	(2,272,400)	14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	0			(2,272,400)		17
Dividends Paid	(3,249,466)	(5,800,000)	(6,677,462)	(5,652,000)	(5,896,999)	18
Other Financing	0			2,783,152		19
Net Cash Provided From Financing Activities	<u>(3,249,466)</u>	<u>(5,800,000)</u>	<u>(6,677,462)</u>	<u>(13,598,048)</u>	<u>(8,169,399)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(2,362,886)	9,211,665	15,110,264	(984,811)	(493,397)	21
Cash & Equivalents at Beginning of Year	29,008,854	19,797,189	4,686,925	5,671,736	6,165,132	22
Cash & Equivalents at End of Year	\$26,645,968	\$29,008,854	\$19,797,189	\$4,686,925	\$5,671,735	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$40,818,508	\$44,103,040	\$48,629,961	\$51,701,494	\$55,178,848
2 Access Lines	59,764	65,676	72,003	75,256	88,168
DOLLAR AMOUNTS					
3 Wages and Benefits	\$5,500,426	\$5,736,857	\$5,776,676	\$6,086,005	6,165,830
4 Depreciation and Amortization	8,385,425	8,815,437	10,218,267	9,887,642	9,681,082
5 Other Operations Expense	15,727,999	17,078,861	17,629,298	19,102,024	17,475,740
6 Total Operation Expenses	29,613,850	31,631,155	33,624,241	35,075,671	33,322,652
7 Income Taxes - Operating Taxes	1,914,050	3,498,399	3,658,479	4,243,543	6,520,646
8 Other Taxes - Operating Taxes	3,884,753	3,299,330	4,540,725	4,538,931	3,158,682
9 Capital Costs	5,405,855	5,674,156	6,806,516	7,843,349	12,176,868
10 Total	\$40,818,508	\$44,103,040	\$48,629,961	\$51,701,494	\$55,178,848
PERCENT OF REVENUES					
11 Wages and Benefits	13.5	13.0	11.9	11.8	11.2
12 Depreciation and Amortization	20.5	20.0	21.0	19.1	17.5
13 Other Operations Expense	38.5	38.7	36.3	36.9	31.7
14 Income Taxes - Operating Taxes	4.7	7.9	7.5	8.2	11.8
15 Other Taxes - Operating Taxes	9.5	7.5	9.3	8.8	5.7
16 Capital Costs	13.2	12.9	14.0	15.2	22.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	92.04	87.35	80.23	80.87	69.93
19 Depreciation and Amortization	140.31	134.23	141.91	131.39	109.80
20 Other Operations Expense	263.17	260.05	244.84	253.83	198.21
21 Income Taxes - Operating Taxes	32.03	53.27	50.81	56.39	73.96
22 Other Taxes - Operating Taxes	65.00	50.24	63.06	60.31	35.83
23 Capital Costs	90.45	86.40	94.53	104.22	138.11
24 Total	682.99	671.52	675.39	687.01	625.84

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$20,232,523	\$20,109,951	\$20,025,798	\$20,046,973	19,893,437	1
Central Office Assets	89,242,672	87,197,032	85,917,441	83,310,332	80,782,788	2
Information Origination/Termination	127,591	146,945	162,358	217,369	301,830	3
Cable And Wire Facilities	102,601,927	101,344,697	99,064,656	96,843,245	94,129,024	4
Amortizable Assets	0					5
Total Plant In Service	212,204,713	208,798,625	205,170,253	200,417,919	195,107,079	6
Property Held For Future Use						7
Plant Under Construction	1,063,803	1,641,718	2,345,465	3,239,337	3,893,929	8
Tel. Acquisition	0					9
Other Plant	0			148,560	148,560	10
Nonoperating Plant	37,008	37,008	37,008	37,008	37,008	11
Goodwill	0			3,402,423		12
Total Telecommunications Plant	213,305,524	210,477,351	207,552,726	207,245,247	199,186,576	13
Less Acc. Prov. For Depreciation & Amort.	153,324,053	145,782,209	137,844,672	129,620,859	120,746,036	14
Net Total Utility Plant	\$59,981,471	\$64,695,142	\$69,708,054	\$77,624,388	\$78,440,540	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	15.31	3.92	4.45	1.17	1.79	16
Total Capitalization	\$76,035,674	\$75,743,258	\$75,056,169	\$63,220,739	\$70,479,266	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	12.0%	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%	84.8%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	3.2%	21
Pretax Coverage of Interest Expense	59956.30	43989.93	102.53	13.64	10.31	22
Com. Stock Dividends as a % of Earnings	91.7%	89.4%	36.1%	89.2%	87.9%	23
Return on Common Equity	4.7%	8.6%	26.8%	10.3%	11.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	123.5%	501.6%	1052.8%	240.2%	210.4%	25
CWIP as a % of Plant	0.5%	0.8%	1.1%	1.6%	2.0%	26

Current Assets	32,856,882	33,795,924	25,090,767	10,900,814	11,597,574
Current Liabilities	2,146,581	8,611,207	5,640,897	9,319,769	6,474,158
Total Capitalization	76,035,674	75,743,258	75,056,169	63,220,739	70,479,266
Long-Term Debt	0				8,456,800
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	76,035,674	75,743,258	75,056,169	63,220,739	59,750,066
Short-Term Debt	0				2,272,400
Pretax Income	5,456,023	9,985,715	22,502,412	10,260,352	12,045,845
Interest Expense	91	227	219,468	752,103	1,167,807
Common Dividends Paid	3,249,466	5,800,000	6,677,462	5,652,000	5,896,999
Net Income (Excl. Preferred Stock Dividends)	3,541,882	6,487,089	18,512,892	6,339,521	6,711,334
Internal Cash	4,658,754	18,750,000	24,074,495	21,612,779	14,630,857
Cash Outflows for Construction	(3,772,174)	(3,738,335)	(2,286,769)	(8,999,542)	(6,954,855)
CWIP	1,063,803	1,641,718	2,345,465	3,239,337	3,893,929
Total Plant	213,305,524	210,477,351	207,552,726	207,245,247	199,186,576
Shares Outstanding	2,621	2,621	2,621	2,621	2,621
Number of Employees	71	79	82	77	80

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$168,829)	(\$305,985)	(\$120,862)	\$86,295	(\$91,489)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	933,528	940,505	897,049	913,896	924,596	2
Changes in Deferred Income Taxes	(131,632)	(25,101)	(207,786)	(198,168)	47,244	3
Changes in Working Capital	161,111	(113,922)	73,803	51,441	217,716	4
Capitalized AFDC - Equity						5
Other	(11,847)	(70,272)	(61,310)	125,625	(27,146)	6
Total Non-Cash Items	951,160	731,210	701,756	892,794	1,162,410	7
Net Cash Provided From Operating Activities	<u>782,330</u>	<u>425,225</u>	<u>580,894</u>	<u>979,089</u>	<u>1,070,921</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(398,856)	(480,115)	(644,296)	(608,504)	(740,163)	9
Purchase of Other Investments						10
Sale of Other Investments	(11,769)	5,682	19,042	26,082	7,581	11
Other	(1,195)	(3,307)	(12,584)	(9,398)	(14,624)	12
Net Cash Provided From Investing Activities	<u>(411,820)</u>	<u>(477,740)</u>	<u>(637,838)</u>	<u>(591,820)</u>	<u>(747,206)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(157,069)	(149,434)	(142,230)	(142,599)	(136,042)	14
Common Stock			(131,000)	(525,000)		15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(157,069)</u>	<u>(149,434)</u>	<u>(273,230)</u>	<u>(667,599)</u>	<u>(136,042)</u>	20
Net Increase (Decrease) in Cash & Equivalents	213,441	(201,949)	(330,174)	(280,330)	187,673	21
Cash & Equivalents at Beginning of Year	829,465	1,031,414	1,361,588	1,641,918	1,454,245	22
Cash & Equivalents at End of Year	\$1,042,906	\$829,465	\$1,031,414	\$1,361,588	\$1,641,918	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$4,427,430	\$4,314,742	\$4,625,362	\$4,721,398	\$4,513,762
2 Access Lines	2,744	2,475	3,009	3,460	3,515
DOLLAR AMOUNTS					
3 Wages and Benefits	\$872,026	\$856,531	\$866,369	\$849,848	\$1,501,493
4 Depreciation and Amortization	933,528	940,595	897,049	913,896	924,596
5 Other Operations Expense	2,581,341	2,654,012	2,693,458	2,428,738	1,790,658
6 Total Operation Expenses	4,386,895	4,451,138	4,456,876	4,192,482	4,216,747
7 Income Taxes - Operating Taxes	(172,316)	(220,981)	(83,823)	32,190	(7,986)
8 Other Taxes - Operating Taxes	260,360	239,112	226,146	263,071	236,609
9 Capital Costs	(47,509)	(154,526)	26,164	233,654	68,392
10 Total	\$4,427,430	\$4,314,742	\$4,625,362	\$4,721,398	\$4,513,762
PERCENT OF REVENUES					
11 Wages and Benefits	19.7	19.9	18.7	18.0	33.3
12 Depreciation and Amortization	21.1	21.8	19.4	19.4	20.5
13 Other Operations Expense	58.3	61.5	58.2	51.4	39.7
14 Income Taxes - Operating Taxes	(3.9)	(5.1)	(1.8)	0.7	(0.2)
15 Other Taxes - Operating Taxes	5.9	5.5	4.9	5.6	5.2
16 Capital Costs	(1.1)	(3.6)	0.6	4.9	1.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	317.79	346.07	287.93	245.62	427.17
19 Depreciation and Amortization	340.21	380.04	298.12	264.13	263.04
20 Other Operations Expense	940.72	1,072.33	895.13	701.95	509.43
21 Income Taxes - Operating Taxes	(62.80)	(89.29)	(27.86)	9.30	(2.27)
22 Other Taxes - Operating Taxes	94.88	96.61	75.16	76.03	67.31
23 Capital Costs	(17.31)	(62.43)	8.70	67.53	19.46
24 Total	1,613.49	1,743.33	1,537.18	1,364.57	1,284.14

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,702,022	\$2,120,524	\$2,183,675	\$2,345,962	\$2,373,753	1
Central Office Assets	5,778,000	5,640,343	5,590,118	5,341,544	5,433,580	2
Information Origination/Termination	206,037	206,037	206,037	213,080	213,080	3
Cable And Wire Facilities	6,355,446	6,177,418	5,932,205	5,635,534	5,370,611	4
Amortizable Assets						5
Total Plant In Service	14,041,506	14,144,322	13,912,035	13,536,120	13,391,024	6
Property Held For Future Use						7
Plant Under Construction	75,130	12,455	19,483	22,449	1,431	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	14,116,636	14,156,777	13,931,518	13,558,569	13,392,455	13
Less Acc. Prov. For Depreciation & Amort.	9,474,784	8,993,217	8,305,193	7,673,029	7,184,844	14
Net Total Utility Plant	\$4,641,852	\$5,163,560	\$5,626,325	\$5,885,539	\$6,207,611	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.48	2.60	2.28	2.77	3.87	16
Total Capitalization	\$5,293,985	\$5,619,883	\$6,075,302	\$6,469,395	\$7,050,698	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	54.5%	54.3%	52.8%	51.8%	49.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	42.4%	42.9%	44.7%	45.9%	48.4%	20
Short-Term Debt	3.1%	2.8%	2.5%	2.2%	2.0%	21
Pretax Coverage of Interest Expense	-1.03	-2.19	-0.16	1.69	0.50	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-7.3%	-11.9%	-4.2%	2.7%	-2.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	196.1%	88.6%	90.2%	160.9%	144.7%	25
CWIP as a % of Plant	0.5%	0.1%	0.1%	0.2%	0.0%	26

Current Assets	1,848,740	1,698,595	1,910,052	2,205,324	2,515,894
Current Liabilities	744,946	653,535	839,135	797,304	650,770
Total Capitalization	5,293,985	5,619,883	6,075,302	6,469,395	7,050,698
Long-Term Debt	2,887,691	3,052,654	3,207,377	3,353,937	3,501,270
Preferred Stock				-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,243,709	2,412,538	2,718,523	2,970,386	3,409,090
Short-Term Debt	162,585	154,691	149,402	145,072	140,338
Pretax Income	(161,040)	(359,460)	(26,638)	302,204	93,115
Interest Expense	156,500	164,118	171,343	178,319	185,024
Common Dividends Paid				-	
Net Income (Excl. Preferred Stock Dividends)	(168,829)	(305,985)	(120,862)	86,295	(91,489)
Internal Cash	782,330	425,225	580,894	979,089	1,070,921
Cash Outflows for Construction	(398,856)	(480,115)	(644,296)	(608,506)	(740,163)
CWIP	75,130	12,455	19,483	22,449	1,431
Total Plant	14,116,636	14,156,777	13,931,518	13,558,569	13,392,455
Shares Outstanding	4,860	4,860	4,860	4,860	4,860
Number of Employees	25	22	25	24	24

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$306,168	\$277,089	\$397,336	\$629,936	\$272,177	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	209,301	378,248	1,054,274	965,242	939,874	2
Changes in Deferred Income Taxes	146,370	741,002	(215,612)	(303,879)	(220,104)	3
Changes in Working Capital	(53,526)	317,647	(1,465,643)	(3,226,479)	3,031,857	4
Capitalized AFDC - Equity						5
Other	(637,133)	101,067	(121,932)	1,280,008	322,288	6
Total Non-Cash Items	(334,988)	1,537,964	(748,913)	(1,285,108)	4,073,915	7
Net Cash Provided From Operating Activities	<u>(28,820)</u>	<u>1,815,053</u>	<u>(351,577)</u>	<u>(655,172)</u>	<u>4,346,092</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(45,870)	(738,048)	(450,147)	79,110	(807,298)	9
Purchase of Other Investments	55,010	195,000				10
Sale of Other Investments		(137,632)	(295,313)	415,775	2,548,956	11
Other		(10,000)				12
Net Cash Provided From Investing Activities	<u>9,140</u>	<u>(690,680)</u>	<u>(745,460)</u>	<u>494,885</u>	<u>1,741,658</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(1,100,196)	(141,576)	(132,997)	(1,554,267)	14
Common Stock			1,140,000			15
Preferred Stock						16
Short-Term Debt			8,579	8,059	124,938	17
Dividends Paid		(5,000)		(423,000)	(4,782,537)	18
Other Financing				(626,434)		19
Net Cash Provided From Financing Activities		<u>(1,105,196)</u>	<u>1,007,003</u>	<u>(1,174,372)</u>	<u>(6,211,866)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(19,680)	19,177	(90,034)	(1,334,659)	(124,116)	21
Cash & Equivalents at Beginning of Year	34,411	15,234	105,268	1,439,927	1,564,043	22
Cash & Equivalents at End of Year	\$14,731	\$34,411	\$15,234	\$105,268	\$1,439,927	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$3,312,126	\$3,378,445	\$4,210,689	\$4,096,157	\$4,357,399
2 Access Lines	4,092	4,434	5,135	6,196	6,391
DOLLAR AMOUNTS					
3 Wages and Benefits	\$671,627	\$696,310	\$795,437	\$848,137	\$1,276,226
4 Depreciation and Amortization	814,390	838,322	1,051,085	965,242	932,036
5 Other Operations Expense	1,836,889	1,630,372	1,744,258	1,655,918	2,107,706
6 Total Operation Expenses	3,322,906	3,165,004	3,590,779	3,469,297	4,315,968
7 Income Taxes - Operating Taxes	(258,122)	(549,563)	119,544	(315,799)	(168,993)
8 Other Taxes - Operating Taxes	179,120	239,717	204,183	551,392	171,893
9 Capital Costs	68,222	523,287	296,183	391,267	38,530
10 Total	\$3,312,126	\$3,378,445	\$4,210,689	\$4,096,157	\$4,357,399
PERCENT OF REVENUES					
11 Wages and Benefits	20.3	20.6	18.9	20.7	29.3
12 Depreciation and Amortization	24.6	24.8	25.0	23.6	21.4
13 Other Operations Expense	55.5	48.3	41.4	40.4	48.4
14 Income Taxes - Operating Taxes	(7.8)	(16.3)	2.8	(7.7)	(3.9)
15 Other Taxes - Operating Taxes	5.4	7.1	4.8	13.5	3.9
16 Capital Costs	2.1	15.5	7.0	9.6	0.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	164.13	157.04	154.90	136.88	199.69
19 Depreciation and Amortization	199.02	189.07	204.69	155.78	145.84
20 Other Operations Expense	448.90	367.70	339.68	267.26	329.79
21 Income Taxes - Operating Taxes	(63.08)	(123.94)	23.28	(50.97)	(26.44)
22 Other Taxes - Operating Taxes	43.77	54.06	39.76	88.99	26.90
23 Capital Costs	16.67	118.02	57.68	63.15	6.03
24 Total	809.41	761.94	820.00	661.10	681.80

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,775,075	\$3,787,168	\$3,292,820	\$3,140,963	\$2,926,850	1
Central Office Assets	5,546,840	5,254,389	5,057,746	4,999,279	4,669,332	2
Information Origination/Termination	313,034	313,034	313,034	309,682	309,682	3
Cable And Wire Facilities	7,027,501	7,002,661	6,853,240	6,646,488	6,540,160	4
Amortizable Assets	60,754	60,754	60,754	60,754	60,754	5
Total Plant In Service	16,723,204	16,418,006	15,577,593	15,157,165	14,506,778	6
Property Held For Future Use						7
Plant Under Construction	99,996	359,322	246,439	138,187	695,386	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	16,965,175	16,919,303	15,966,007	15,437,328	15,344,139	13
Less Acc. Prov. For Depreciation & Amort.	10,989,317	10,780,014	10,418,868	9,364,592	8,399,351	14
Net Total Utility Plant	\$5,975,858	\$6,139,289	\$5,547,139	\$6,072,735	\$6,944,788	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-0.87	-1.15	-1.04	1.82	0.73	16
Total Capitalization	\$8,503,425	\$9,195,258	\$7,725,667	\$6,321,327	\$6,239,330	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			12.4%	17.4%	19.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	85.8%	80.5%	78.2%	20
Short-Term Debt			1.8%	2.1%	2.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	-8.57	3.16	10.43	1.14	22
Com. Stock Dividends as a % of Earnings					1757.1%	23
Return on Common Equity	-3.8%	-4.3%	6.8%	12.4%	3.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-62.8%	-232.2%	-78.1%	828.2%	538.4%	25
CWIP as a % of Plant	0.6%	2.1%	1.5%	0.9%	4.5%	26

Current Assets	768,055	868,180	970,534	1,324,014	2,760,020
Current Liabilities	(884,096)	(758,205)	(934,276)	728,888	3,771,283
Total Capitalization	8,503,425	9,195,258	7,725,667	6,321,327	6,239,330
Long-Term Debt			958,620	1,100,196	1,233,193
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,503,425	9,195,258	6,625,471	5,088,135	4,881,199
Short-Term Debt			141,576	132,997	124,938
Pretax Income	(189,900)	(217,936)	615,602	1,233,535	199,322
Interest Expense		25,444	194,702	118,268	174,668
Common Dividends Paid					4,782,536
Net Income (Excl. Preferred Stock Dividends)	(338,283)	(340,296)	399,481	629,936	272,177
Internal Cash	(28,819)	(1,713,592)	(351,577)	(655,172)	4,346,092
Cash Outflows for Construction	(45,870)	(738,048)	(450,147)	79,110	(807,298)
CWIP	99,996	359,322	246,439	138,187	695,386
Total Plant	16,965,175	16,919,303	15,966,007	15,437,328	15,344,139
Shares Outstanding	1,536	1,536	1,536	1,536	1,536
Number of Employees	13	15	15	18	19

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$111,622	\$27,448	(\$31,540)	\$27,603	\$58,477	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	142,181	154,886	157,022	154,594	153,439	2
Changes in Deferred Income Taxes	16,855	4,203	(12,488)	29,494	21,063	3
Changes in Working Capital	(109,672)	(39,334)	(101,332)	(142,022)	(395,978)	4
Capitalized AFDC - Equity						5
Other	(25,106)	9,643	43,303	(25,985)	89,377	6
Total Non-Cash Items	24,258	129,398	86,505	16,081	(132,099)	7
Net Cash Provided From Operating Activities	<u>135,880</u>	<u>156,846</u>	<u>54,965</u>	<u>43,684</u>	<u>(73,622)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(132,978)	(201,615)	(54,625)	(49,358)	(55,301)	9
Purchase of Other Investments						10
Sale of Other Investments	(3,127)	48,122	(2,014)	3,692	11,644	11
Other						12
Net Cash Provided From Investing Activities	<u>(136,105)</u>	<u>(153,493)</u>	<u>(56,639)</u>	<u>(45,666)</u>	<u>(43,657)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt					250,000	17
Dividends Paid					(132,050)	18
Other Financing						19
Net Cash Provided From Financing Activities					<u>117,950</u>	20
Net Increase (Decrease) in Cash & Equivalents	(225)	3,353	(1,674)	(1,982)	671	21
Cash & Equivalents at Beginning of Year	4,397	1,044	2,718	4,700	4,029	22
Cash & Equivalents at End of Year	\$4,172	\$4,397	\$1,044	\$2,718	\$4,700	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$916,002	\$927,164	\$936,375	\$1,001,441	\$1,029,743
2 Access Lines	1,076	1,151	1,225	1,349	1,478
DOLLAR AMOUNTS					
3 Wages and Benefits	\$285,616	\$363,924	\$306,766	\$278,795	291,502
4 Depreciation and Amortization	142,181	154,886	157,022	154,594	153,439
5 Other Operations Expense	343,307	340,624	465,745	523,706	381,636
6 Total Operation Expenses	771,104	859,434	929,533	957,095	826,577
7 Income Taxes - Operating Taxes	47,512	19,900	(5,984)	(3,080)	47,240
8 Other Taxes - Operating Taxes	36,053	36,987	37,189	38,692	33,267
9 Capital Costs	61,333	10,843	(24,363)	8,734	122,659
10 Total	\$916,002	\$927,164	\$936,375	\$1,001,441	1,029,743
PERCENT OF REVENUES					
11 Wages and Benefits	31.2	39.3	32.8	27.8	28.3
12 Depreciation and Amortization	15.5	16.7	16.8	15.4	14.9
13 Other Operations Expense	37.5	36.7	49.7	52.3	37.1
14 Income Taxes - Operating Taxes	5.2	2.1	(0.6)	(0.3)	4.6
15 Other Taxes - Operating Taxes	3.9	4.0	4.0	3.9	3.2
16 Capital Costs	6.7	1.2	(2.6)	0.9	11.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	265.44	316.18	250.42	206.67	197.23
19 Depreciation and Amortization	132.14	134.57	128.18	114.60	103.82
20 Other Operations Expense	319.06	295.94	380.20	388.22	258.21
21 Income Taxes - Operating Taxes	44.16	17.29	(4.88)	(2.28)	31.96
22 Other Taxes - Operating Taxes	33.51	32.13	30.36	28.68	22.51
23 Capital Costs	57.00	9.42	(19.89)	6.47	82.99
24 Total	851.30	805.53	764.39	742.36	696.71

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$312,142	\$311,989	\$280,850	\$283,161	\$281,597	1
Central Office Assets	1,280,820	1,215,141	1,168,170	1,140,223	1,103,934	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,310,279	1,260,516	1,214,085	1,214,931	1,210,026	4
Amortizable Assets						5
Total Plant In Service	2,968,851	2,853,257	2,728,715	2,703,925	2,661,167	6
Property Held For Future Use						7
Plant Under Construction	16,171	28,948	14,665	212		8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	2,985,022	2,882,205	2,743,380	2,704,137	2,661,167	13
Less Acc. Prov. For Depreciation & Amort.	1,768,048	1,659,158	1,518,940	1,379,314	1,227,415	14
Net Total Utility Plant	\$1,216,974	\$1,223,047	\$1,224,440	\$1,324,823	\$1,433,752	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	10.13	20.32	7.81	6.89	5.24	16
Total Capitalization	\$1,513,832	\$1,402,210	\$1,374,762	\$1,406,302	\$1,378,699	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	-5.53	-1.08	2.53	-2.38	-46.73	22
Com. Stock Dividends as a % of Earnings					225.8%	23
Return on Common Equity	7.7%	2.0%	-2.3%	2.0%	4.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	102.2%	77.8%	100.6%	88.5%	-133.1%	25
CWIP as a % of Plant	0.5%	1.0%	0.5%	0.0%		26

Current Assets	623,818	468,645	459,971	363,921	207,375
Current Liabilities	61,602	23,059	58,913	52,795	39,598
Total Capitalization	1,513,832	1,402,210	1,374,762	1,406,302	1,378,699
Long-Term Debt		-	-	-	
Preferred Stock			-	-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,513,832	1,402,210	1,374,762	1,406,302	1,378,699
Short-Term Debt			-	-	
Pretax Income	134,761	24,552	(62,067)	28,955	103,502
Interest Expense	(24,373)	(22,796)	(24,543)	(12,161)	(2,215)
Common Dividends Paid			-	-	132,050
Net Income (Excl. Preferred Stock Dividends)	111,622	27,448	(31,540)	27,603	58,477
Internal Cash	135,880	156,846	54,965	43,684	(73,622)
Cash Outflows for Construction	(132,978)	(201,615)	(54,625)	(49,358)	(55,301)
CWIP	16,171	28,948	14,665	212	
Total Plant	2,985,022	2,882,205	2,743,380	2,704,137	2,661,167
Shares Outstanding	695	695	695	695	695
Number of Employees	8	8	8	7	5

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$214,572)	(\$278,079)	\$91,123	\$510,885	\$863,191	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	552,996	588,401	658,568	766,403	704,329	2
Changes in Deferred Income Taxes	(93,279)	(13,202)	14,652	(109,951)	109,077	3
Changes in Working Capital	(546,311)	(225,837)	(159,683)	(206,301)	(1,154,557)	4
Capitalized AFDC - Equity						5
Other	172,172	64,138	(68,197)	(52,437)	(158,704)	6
Total Non-Cash Items	85,578	413,500	445,340	397,714	(499,855)	7
Net Cash Provided From Operating Activities	<u>(128,994)</u>	<u>135,421</u>	<u>536,463</u>	<u>908,599</u>	<u>363,336</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(236,136)	(287,058)	(298,657)	(483,067)	(539,405)	9
Purchase of Other Investments						10
Sale of Other Investments	1,369	15,326		1,361	16,454	11
Other						12
Net Cash Provided From Investing Activities	<u>(234,767)</u>	<u>(271,732)</u>	<u>(298,657)</u>	<u>(481,706)</u>	<u>(522,951)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(154,268)	(146,728)	(139,645)	(132,886)	(134,235)	14
Common Stock						15
Preferred Stock	(1,500)					16
Short-Term Debt						17
Dividends Paid	(8,927)	(9,024)	(9,024)	(9,024)	(9,024)	18
Other Financing	691,087	(59,888)	(59,888)	(59,888)	(59,888)	19
Net Cash Provided From Financing Activities	<u>526,392</u>	<u>(215,640)</u>	<u>(208,557)</u>	<u>(201,798)</u>	<u>(203,147)</u>	20
Net Increase (Decrease) in Cash & Equivalents	162,631	(351,951)	29,249	225,095	(362,762)	21
Cash & Equivalents at Beginning of Year	21,253	373,204	343,955	118,860	481,622	22
Cash & Equivalents at End of Year	\$183,884	\$21,253	\$373,204	\$343,955	\$118,860	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,063,140	\$5,271,534	\$5,443,919	\$5,979,509	\$5,873,970
2 Access Lines	4,375	4,664	5,274	5,641	5,798
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,723,556	\$2,948,960	\$2,645,931	\$2,658,682	\$2,418,686
4 Depreciation and Amortization	551,547	586,952	657,119	764,954	702,850
5 Other Operations Expense	1,710,476	1,769,767	1,558,335	1,512,830	1,368,328
6 Total Operation Expenses	4,985,579	5,305,679	4,861,385	4,936,466	4,489,864
7 Income Taxes - Operating Taxes	(65,928)	(113,156)	120,133	257,377	401,710
8 Other Taxes - Operating Taxes	235,312	250,060	245,339	253,108	171,128
9 Capital Costs	(91,823)	(171,049)	217,062	532,558	811,268
10 Total	\$5,063,140	\$5,271,534	\$5,443,919	\$5,979,509	\$5,873,970
PERCENT OF REVENUES					
11 Wages and Benefits	53.8	55.9	48.6	44.5	41.2
12 Depreciation and Amortization	10.9	11.1	12.1	12.8	12.0
13 Other Operations Expense	33.8	33.6	28.6	25.3	23.3
14 Income Taxes - Operating Taxes	(1.3)	(2.1)	2.2	4.3	6.8
15 Other Taxes - Operating Taxes	4.6	4.7	4.5	4.2	2.9
16 Capital Costs	(1.8)	(3.2)	4.0	8.9	13.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	622.53	632.28	501.69	471.31	417.16
19 Depreciation and Amortization	126.07	125.85	124.60	135.61	121.22
20 Other Operations Expense	390.97	379.45	295.47	268.18	236.00
21 Income Taxes - Operating Taxes	(15.07)	(24.26)	22.78	45.63	69.28
22 Other Taxes - Operating Taxes	53.79	53.61	46.52	44.87	29.52
23 Capital Costs	(20.99)	(36.67)	41.16	94.41	139.92
24 Total	1,157.29	1,130.26	1,032.22	1,060.01	1,013.10

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,682,806	\$2,694,237	\$2,680,135	\$2,941,512	\$3,062,927	1
Central Office Assets	3,083,661	2,960,840	3,191,478	3,060,421	3,006,191	2
Information Origination/Termination	26,734	25,806	25,806	174,728	158,982	3
Cable And Wire Facilities	7,198,004	7,120,227	7,043,261	6,870,879	6,928,438	4
Amortizable Assets						5
Total Plant In Service	12,991,205	12,801,110	12,940,680	13,047,540	13,156,538	6
Property Held For Future Use						7
Plant Under Construction	148,723	196,889	173,977	203,209	52,783	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,139,928	12,997,999	13,114,657	13,250,749	13,209,321	13
Less Acc. Prov. For Depreciation & Amort.	8,075,363	7,619,496	7,415,128	7,262,420	6,881,075	14
Net Total Utility Plant	\$5,064,565	\$5,378,503	\$5,699,529	\$5,988,329	\$6,328,246	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.26	1.76	2.06	1.92	1.74	16
Total Capitalization	\$4,222,946	\$4,702,044	\$5,182,353	\$5,299,787	\$4,990,698	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	21.4%	22.6%	23.5%	25.8%	30.2%	18
Preferred Stock	3.3%	3.0%	2.7%	2.6%	2.8%	19
Common Stock & Retained Earnings	71.5%	71.1%	71.0%	69.0%	64.4%	20
Short-Term Debt	3.8%	3.3%	2.8%	2.6%	2.7%	21
Pretax Coverage of Interest Expense	-3.95	-5.04	4.03	10.72	12.97	22
Com. Stock Dividends as a % of Earnings	-26.8%	-20.9%	72.9%	11.9%	7.0%	23
Return on Common Equity	-7.0%	-8.2%	2.2%	14.6%	30.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-54.6%	47.2%	179.6%	188.1%	67.4%	25
CWIP as a % of Plant	1.1%	1.5%	1.3%	1.5%	0.4%	26

Current Assets	2,536,847	2,462,113	2,283,789	2,169,899	1,318,908
Current Liabilities	777,173	1,398,276	1,106,501	1,128,903	757,873
Total Capitalization	4,222,946	4,702,044	5,182,353	5,299,787	4,990,698
Long-Term Debt	902,033	1,064,069	1,218,363	1,365,121	1,504,773
Preferred Stock	137,350	138,850	138,850	138,850	138,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,021,482	3,344,812	3,678,393	3,656,182	3,214,209
Short-Term Debt	162,081	154,313	146,747	139,634	132,866
Pretax Income	(225,336)	(324,358)	291,464	848,361	1,375,613
Interest Expense	57,094	64,302	72,303	79,121	106,087
Common Dividends Paid	59,888	59,888	59,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	(223,499)	(287,103)	82,099	501,861	854,167
Internal Cash	(128,994)	135,420	536,463	908,599	363,336
Cash Outflows for Construction	(236,136)	(287,058)	(298,658)	(483,067)	(539,405)
CWIP	148,723	196,889	173,977	203,209	52,783
Total Plant	13,139,928	12,997,999	13,114,657	13,250,749	13,209,321
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	33	33	35	36	33

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$997,648	\$722,474	\$338,667	\$29,573	\$519,973	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	370,156	710,317	1,459,135	2,101,264	1,583,125	2
Changes in Deferred Income Taxes	202,089	176,540	(277,819)	(281,484)	(83,494)	3
Changes in Working Capital	(626,293)	1,472,650	332,632	(334,840)	(164,215)	4
Capitalized AFDC - Equity	0	0	0	0	0	5
Other	(793,212)	(1,042,901)	(19,941)	(112,033)	199,645	6
Total Non-Cash Items	(847,260)	1,316,606	1,494,007	1,372,907	1,535,062	7
Net Cash Provided From Operating Activities	<u>150,388</u>	<u>2,039,080</u>	<u>1,832,674</u>	<u>1,402,480</u>	<u>2,055,035</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(162,617)	(507,967)	238,951	(656,535)	(112,381)	9
Purchase of Other Investments	0			0	0	10
Sale of Other Investments	0	(1,574,279)		0	0	11
Other	0			0	0	12
Net Cash Provided From Investing Activities	<u>(162,617)</u>	<u>(2,082,246)</u>	<u>238,951</u>	<u>(656,535)</u>	<u>(112,381)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock		(257,500)	(2,017,000)	(720,000)		15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(1,898,012)	18
Other Financing		299,000	(55,000)	(25,500)	(44,000)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>41,500</u>	<u>(2,072,000)</u>	<u>(745,500)</u>	<u>(1,942,012)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(12,229)	(1,666)	(375)	445	642	21
Cash & Equivalents at Beginning of Year	17,435	19,101	19,476	19,031	18,389	22
Cash & Equivalents at End of Year	\$5,206	\$17,435	\$19,101	\$19,476	\$19,031	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$6,341,152	\$6,513,761	\$7,568,047	\$7,617,022	\$8,340,183
2 Access Lines	8,198	8,820	10,014	10,177	11,049
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,545,343	\$1,596,909	\$1,808,323	\$2,119,246	2,016,048
4 Depreciation and Amortization	1,895,781	1,805,397	1,856,946	1,867,543	1,837,718
5 Other Operations Expense	2,888,258	3,096,925	3,325,253	3,303,946	3,127,582
6 Total Operation Expenses	6,329,382	6,499,231	6,990,522	7,290,735	6,981,348
7 Income Taxes - Operating Taxes	(621,743)	243,685	27,063	(19,081)	374,052
8 Other Taxes - Operating Taxes	549,868	458,928	473,935	434,972	500,358
9 Capital Costs	83,645	(688,083)	76,527	(89,604)	484,425
10 Total	\$6,341,152	\$6,513,761	\$7,568,047	\$7,617,022	\$8,340,183
PERCENT OF REVENUES					
11 Wages and Benefits	24.4	24.5	23.9	27.8	24.2
12 Depreciation and Amortization	29.9	27.7	24.5	24.5	22.0
13 Other Operations Expense	45.5	47.5	43.9	43.4	37.5
14 Income Taxes - Operating Taxes	(9.8)	3.7	0.4	(0.3)	4.5
15 Other Taxes - Operating Taxes	8.7	7.0	6.3	5.7	6.0
16 Capital Costs	1.3	(10.6)	1.0	(1.2)	5.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	188.50	181.06	180.58	208.24	182.46
19 Depreciation and Amortization	231.25	204.69	185.43	183.51	166.32
20 Other Operations Expense	352.31	351.13	332.06	324.65	283.06
21 Income Taxes - Operating Taxes	(75.84)	27.63	2.70	(1.87)	33.85
22 Other Taxes - Operating Taxes	67.07	52.03	47.33	42.74	45.29
23 Capital Costs	10.20	(78.01)	7.64	(8.80)	43.84
24 Total	773.50	738.52	755.75	748.45	754.84

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,741,102	\$4,809,166	\$4,606,645	\$4,626,128	\$4,565,888	1
Central Office Assets	13,160,416	13,131,704	13,075,149	13,405,894	12,869,318	2
Information Origination/Termination	7,400	7,400	7,400	7,400	7,400	3
Cable And Wire Facilities	12,159,509	12,137,439	12,032,145	11,971,700	11,839,730	4
Amortizable Assets	0			0	0	5
Total Plant In Service	30,068,427	30,085,709	29,721,339	30,011,122	29,282,336	6
Property Held For Future Use						7
Plant Under Construction	118,309	7,595	57,018	6,186	78,441	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	30,186,736	30,093,303	29,778,357	30,017,308	29,360,777	13
Less Acc. Prov. For Depreciation & Amort.	21,355,773	21,054,799	20,553,791	19,094,657	16,993,393	14
Net Total Utility Plant	\$8,830,963	\$9,038,504	\$9,224,566	\$10,922,651	\$12,367,384	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.40	1.04	1.35	1.43	1.25	16
Total Capitalization	\$7,633,526	\$8,020,877	\$9,135,900	\$10,869,233	\$11,585,160	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%	97.2%	97.1%	97.1%	20
Short-Term Debt	0.0%	0.0%	2.8%	2.9%	2.9%	21
Pretax Coverage of Interest Expense	-116.83	-27.86	22.76	0.71	42.66	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-11.3%	-9.7%	3.6%	0.3%	4.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	92.5%	401.4%	-767.0%	213.6%	1828.6%	25
CWIP as a % of Plant	0.4%	0.0%	0.2%	0.0%	0.3%	26

Current Assets	2,617,171	3,141,486	2,383,738	3,057,342	2,476,756
Current Liabilities	1,875,114	3,007,165	1,770,007	2,138,786	1,983,067
Total Capitalization	7,633,526	8,020,877	9,135,900	10,869,233	11,585,160
Long-Term Debt	0				
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,633,526	8,020,877	8,878,400	10,556,733	11,247,160
Short-Term Debt	0	0	257,500	312,500	338,000
Pretax Income	(538,198)	(266,552)	387,271	13,678	909,006
Interest Expense	4,607	9,566	17,018	19,316	21,308
Common Dividends Paid	0				
Net Income (Excl. Preferred Stock Dividends)	(887,159)	(505,959)	349,812	29,573	519,973
Internal Cash	150,384	2,039,080	1,832,674	1,402,480	2,055,035
Cash Outflows for Construction	(162,617)	(507,967)	238,951	(656,531)	(112,381)
CWIP	118,309	7,595	57,018	6,186	78,441
Total Plant	30,186,736	30,093,303	29,778,357	30,017,308	29,360,777
Shares Outstanding	100	100	100	100	100
Number of Employees	46	59	50	50	46

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$400,361)	\$369,196	(\$350,315)	(\$267,312)	(\$66,270)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	707,196	692,481	656,086	670,396	635,631	2
Changes in Deferred Income Taxes	128,076	129,412	42,434	(397,125)	(32,862)	3
Changes in Working Capital	(86,311)	(300,212)	(485,380)	180,413	(90,342)	4
Capitalized AFDC - Equity	0	0	0			5
Other	67,278	(586,605)	246,499	162,373	279,414	6
Total Non-Cash Items	816,239	(64,924)	459,639	616,057	791,841	7
Net Cash Provided From Operating Activities	<u>415,878</u>	<u>304,272</u>	<u>109,324</u>	<u>348,745</u>	<u>725,571</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(159,429)	(324,082)	(1,042,385)	(458,107)	(416,889)	9
Purchase of Other Investments	0	0	0	(964,133)	20,200	10
Sale of Other Investments	(23,821)	48,907	959,690	1,539,736		11
Other	38,240	20,056	17,334	53,275	28,756	12
Net Cash Provided From Investing Activities	<u>(145,010)</u>	<u>(255,119)</u>	<u>(65,361)</u>	<u>170,771</u>	<u>(367,933)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(164,745)	(200,540)	(190,830)	(202,376)	(224,833)	14
Common Stock	0	0				15
Preferred Stock	0	0				16
Short-Term Debt	(107,092)	180,000	196,416	(364,561)	(72,128)	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing	0					19
Net Cash Provided From Financing Activities	<u>(278,337)</u>	<u>(27,040)</u>	<u>(914)</u>	<u>(573,437)</u>	<u>(303,461)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(7,469)	22,113	43,049	(53,921)	54,177	21
Cash & Equivalents at Beginning of Year	87,115	65,002	21,953	75,874	21,697	22
Cash & Equivalents at End of Year	\$79,646	\$87,115	\$65,002	\$21,953	\$75,874	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,869,205	\$2,948,851	\$2,951,726	\$2,980,153	\$3,049,600
2 Access Lines	2,973	3,117	3,412	3,623	3,751
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,048,800	\$1,111,772	\$1,070,490	\$1,118,929	1,067,133
4 Depreciation and Amortization	662,117	651777	654,875	669,185	634,420
5 Other Operations Expense	774,740	961380	788,440	927,713	793,961
6 Total Operation Expenses	2,485,657	2724929	2,513,805	2,715,827	2,495,514
7 Income Taxes - Operating Taxes	69,386	31177	64,255	(323,402)	78,888
8 Other Taxes - Operating Taxes	152,487	155134	160,113	203,986	168,348
9 Capital Costs	161,675	37,611	213,553	383,742	306,850
10 Total	\$2,869,205	\$2,948,851	\$2,951,726	\$2,980,153	\$3,049,600
PERCENT OF REVENUES					
11 Wages and Benefits	36.6	37.7	36.3	37.5	35.0
12 Depreciation and Amortization	23.1	22.1	22.2	22.5	20.8
13 Other Operations Expense	27.0	32.6	26.7	31.1	26.0
14 Income Taxes - Operating Taxes	2.4	1.1	2.2	(10.9)	2.6
15 Other Taxes - Operating Taxes	5.3	5.3	5.4	6.8	5.5
16 Capital Costs	5.6	1.3	7.2	12.9	10.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	352.77	356.68	313.74	308.84	284.49
19 Depreciation and Amortization	222.71	209.10	191.93	184.70	169.13
20 Other Operations Expense	260.59	308.43	231.08	256.06	211.67
21 Income Taxes - Operating Taxes	23.34	10.00	18.83	(89.26)	21.03
22 Other Taxes - Operating Taxes	51.29	49.77	46.93	56.30	44.88
23 Capital Costs	54.38	12.07	62.59	105.92	81.80
24 Total	965.09	946.05	865.10	822.57	813.01

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,002,089	\$3,012,483	\$2,921,643	\$2,888,513	\$2,848,611	1
Central Office Assets	5,672,046	5,592,834	5,366,218	4,633,536	4,409,413	2
Information Origination/Termination	35,127	35,127	34,976	34,976	37,695	3
Cable And Wire Facilities	5,890,723	5,865,118	5,815,594	5,742,129	5,629,583	4
Amortizable Assets	140,687	140,687	140,687	140,687	140,687	5
Total Plant In Service	14,740,672	14,646,249	14,279,118	13,439,841	13,065,989	6
Property Held For Future Use						7
Plant Under Construction	19,823				145,249	8
Tel. Acquisition		51,781	245,036	72,605		9
Other Plant						10
Nonoperating Plant	35,834				35,834	11
Goodwill		35,834	35,834	35,834		12
Total Telecommunications Plant	14,796,329	14,733,864	14,559,988	13,548,280	13,247,072	13
Less Acc. Prov. For Depreciation & Amort.	9,962,878	9,336,635	8,740,535	8,102,282	7,542,775	14
Net Total Utility Plant	\$4,833,451	\$5,397,229	\$5,819,453	\$5,445,998	\$5,704,297	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.87	3.87	3.21	2.64	2.98	16
Total Capitalization	\$6,936,318	\$7,593,350	\$7,285,528	\$7,632,832	\$8,620,323	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	4.7%	6.0%	8.5%	10.8%	11.7%	18
Preferred Stock	1.9%	1.7%	1.8%	1.7%	1.5%	19
Common Stock & Retained Earnings	86.9%	84.4%	83.5%	84.3%	79.5%	20
Short-Term Debt	6.6%	7.8%	6.2%	3.2%	7.2%	21
Pretax Coverage of Interest Expense	-6.16	6.48	-1.85	-0.29	1.38	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-6.5%	5.8%	-5.7%	-4.3%	-1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	260.9%	93.9%	10.5%	76.1%	174.0%	25
CWIP as a % of Plant	0.1%	0.4%	1.7%	0.5%	1.1%	26

Current Assets	3,908,917	3,595,418	3,648,820	3,511,473	3,078,426
Current Liabilities	1,009,292	928,929	1,136,807	1,328,251	1,031,883
Total Capitalization	6,936,318	7,593,350	7,285,528	7,632,832	8,620,323
Long-Term Debt	322,906	456,362	621,098	821,643	1,012,445
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,027,057	6,412,252	6,083,890	6,436,780	6,857,333
Short-Term Debt	456,355	594,736	450,540	244,409	620,545
Pretax Income	(292,156)	463,162	(178,648)	(29,428)	100,283
Interest Expense	47,458	71,478	96,324	100,318	72,811
Common Dividends Paid	0				
Net Income (Excl. Preferred Stock Dividends)	(406,861)	362,696	(356,815)	(273,812)	(72,770)
Internal Cash	415,878	304,272	109,324	348,745	725,571
Cash Outflows for Construction	(159,429)	(324,082)	(1,042,385)	(458,107)	(416,889)
CWIP	19,823	51,781	245,036	72,605	145,249
Total Plant	14,796,329	14,733,864	14,559,988	13,548,280	13,247,072
Shares Outstanding	140	140	140	140	140
Number of Employees	17	17	17	18	20

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$159,574	\$157,791	(\$72,742)	\$374,377	\$281,415	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	459,608	467,715	558,193	572,944	597,683	2
Changes in Deferred Income Taxes	(275,008)	(132,428)	(25,572)	(391,749)	(5,708)	3
Changes in Working Capital	(127,636)	(126,017)	(844,021)	266,764	78,576	4
Capitalized AFDC - Equity						5
Other	(127,654)	(191,874)	245,711	958,238	(203,619)	6
Total Non-Cash Items	(70,691)	17,396	(65,689)	1,406,197	466,931	7
Net Cash Provided From Operating Activities	<u>88,883</u>	<u>175,187</u>	<u>(138,430)</u>	<u>1,780,574</u>	<u>748,346</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(460,165)	(277,255)	(594,418)	(125,519)	(424,449)	9
Purchase of Other Investments		(9,259)	(255,971)	(741,395)		10
Sale of Other Investments	5,250		74,990	116,223	6,510	11
Other	178,808	31,927	48,678	646,690	(478,799)	12
Net Cash Provided From Investing Activities	<u>(276,107)</u>	<u>(254,588)</u>	<u>(726,721)</u>	<u>(104,001)</u>	<u>(896,738)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	177,000	(27,124)	604,904	(176,327)	(214,741)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(433)	124,262		(914,412)	514,412	17
Dividends Paid	(4,000)	(101,000)	(105,000)	(203,700)	(231,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>172,567</u>	<u>(3,862)</u>	<u>499,904</u>	<u>(1,294,439)</u>	<u>68,671</u>	20
Net Increase (Decrease) in Cash & Equivalents	(14,656)	(83,263)	(365,247)	382,134	(79,720)	21
Cash & Equivalents at Beginning of Year	183,372	266,635	631,882	249,748	329,467	22
Cash & Equivalents at End of Year	\$168,716	\$183,372	\$266,635	\$631,882	\$249,747	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,088,021	\$2,342,709	\$2,535,700	\$2,777,297	\$3,143,839
2 Access Lines	1,564	1,624	1,815	1,894	1,927
DOLLAR AMOUNTS					
3 Wages and Benefits	\$860,400	\$1,027,277	\$1,255,495	\$1,173,287	\$1,434,958
4 Depreciation and Amortization	454,800	462,908	553,354	571,704	596,443
5 Other Operations Expense	834,478	696,409	770,597	718,838	707,191
6 Total Operation Expenses	2,149,678	2,186,595	2,579,446	2,463,830	2,738,591
7 Income Taxes - Operating Taxes	(134,030)	(50,939)	(130,655)	(13,920)	(4,567)
8 Other Taxes - Operating Taxes	124,650	121,120	145,915	135,104	136,616
9 Capital Costs	(52,277)	85,933	(59,007)	192,283	273,199
10 Total	\$2,088,021	\$2,342,709	\$2,535,700	\$2,777,297	\$3,143,839
PERCENT OF REVENUES					
11 Wages and Benefits	41.2	43.8	49.5	42.2	45.6
12 Depreciation and Amortization	21.8	19.8	21.8	20.6	19.0
13 Other Operations Expense	40.0	29.7	30.4	25.9	22.5
14 Income Taxes - Operating Taxes	(6.4)	(2.2)	(5.2)	(0.5)	(0.1)
15 Other Taxes - Operating Taxes	6.0	5.2	5.8	4.9	4.3
16 Capital Costs	(2.5)	3.7	(2.3)	6.9	8.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	550.13	632.56	691.73	619.48	744.66
19 Depreciation and Amortization	290.79	285.04	304.88	301.85	309.52
20 Other Operations Expense	533.55	428.82	424.57	379.53	366.99
21 Income Taxes - Operating Taxes	(85.70)	(31.37)	(71.99)	(7.35)	(2.37)
22 Other Taxes - Operating Taxes	79.70	74.58	80.39	71.33	70.90
23 Capital Costs	(33.43)	52.91	(32.51)	101.52	141.77
24 Total	1,335.05	1,442.56	1,397.08	1,466.37	1,631.47

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,977,781	\$2,083,261	\$2,277,981	\$2,189,459	2,154,525	1
Central Office Assets	2,395,508	2,079,458	3,049,328	2,954,272	2,803,663	2
Information Origination/Termination	107,830	107,830	107,830	127,497	119,257	3
Cable And Wire Facilities	4,383,283	4,282,594	5,045,666	4,919,315	4,860,608	4
Amortizable Assets	214	214	214	214	214	5
Total Plant In Service	8,864,616	8,553,358	10,481,019	10,190,757	9,938,267	6
Property Held For Future Use						7
Plant Under Construction	43,311	73,299	47,339	85,672	486,427	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	8,907,927	8,626,657	10,528,358	10,276,429	10,424,693	13
Less Acc. Prov. For Depreciation & Amort.	4,813,494	4,534,233	6,397,427	6,046,415	5,697,428	14
Net Total Utility Plant	\$4,094,433	\$4,092,423	\$4,130,930	\$4,230,014	\$4,727,265	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	39.33	29.20	11.96	2.14	1.03	16
Total Capitalization	\$8,761,244	\$8,547,372	\$8,271,675	\$7,748,535	\$8,668,372	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	38.8%	37.7%	39.3%	34.1%	32.5%	18
Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	59.5%	60.6%	60.4%	65.6%	56.6%	20
Short-Term Debt	1.4%	1.5%			10.5%	21
Pretax Coverage of Interest Expense	1.18	1.48	0.25	2.82	1.92	22
Com. Stock Dividends as a % of Earnings		2.5%	-144.3%	54.4%	82.1%	23
Return on Common Equity	3.1%	3.1%	-1.4%	7.5%	5.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	19.3%	63.2%	-23.3%	1418.6%	176.3%	25
CWIP as a % of Plant	0.5%	0.8%	0.4%	0.8%	4.7%	26

Current Assets	1,779,244	1,680,482	1,776,665	1,997,888	1,501,243
Current Liabilities	45,233	57,544	148,505	934,494	1,451,781
Total Capitalization	8,761,244	8,547,372	8,271,675	7,748,535	8,668,372
Long-Term Debt	3,399,939	3,222,938	3,250,063	2,645,159	2,821,486
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,214,096	5,176,792	4,998,612	5,080,376	4,909,475
Short-Term Debt	124,209	124,642			914,412
Pretax Income	217,350	355,674	67,502	867,834	577,419
Interest Expense	184,171	239,674	274,604	307,667	300,571
Common Dividends Paid		4,000	105,000	203,700	231,000
Net Income (Excl. Preferred Stock Dividends)	159,574	157,791	(72,742)	374,377	281,415
Internal Cash	88,883	175,187	(138,430)	1,780,574	748,346
Cash Outflows for Construction	(460,165)	(277,255)	(594,418)	(125,519)	(424,449)
CWIP	43,311	73,299	47,339	85,672	486,427
Total Plant	8,907,927	8,626,657	10,528,358	10,276,429	10,424,693
Shares Outstanding	420	420	420	420	420
Number of Employees	26	28	26	21	26

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$51,656,868	57,363,014	\$64,981,424	\$58,204,540	\$60,864,205	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	38,865,922	44,313,834	52,523,570	51,662,661	52,155,491	2
Changes in Deferred Income Taxes	5,363,627	1,285,005	450,010	(384,911)	3,812,513	3
Changes in Working Capital	2,427,491	4,473,421	(797,555)	(279,918)	(14,530,975)	4
Capitalized AFDC - Equity	0					5
Other	(531,074)	(590,289)	741,644	4,706,388	(614,148)	6
Total Non-Cash Items	46,125,966	49,481,971	52,917,669	55,704,220	40,822,881	7
Net Cash Provided From Operating Activities	<u>97,782,834</u>	<u>106,844,986</u>	<u>117,899,093</u>	<u>113,908,760</u>	<u>101,687,086</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(17,538,747)	(20,223,711)	(19,435,658)	(20,067,144)	(24,198,514)	9
Purchase of Other Investments	59,192,667	(25,939,103)	(23,586,542)	(94,084,929)	(15,471,814)	10
Sale of Other Investments	0					11
Other	0					12
Net Cash Provided From Investing Activities	<u>41,653,920</u>	<u>(46,162,814)</u>	<u>(43,022,200)</u>	<u>(114,152,073)</u>	<u>(39,670,328)</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	(140,000,000)	(60,000,000)	(75,000,000)		(62,500,000)	18
Other Financing				1,200		19
Net Cash Provided From Financing Activities	<u>(140,000,000)</u>	<u>(60,000,000)</u>	<u>(75,000,000)</u>	<u>1,200</u>	<u>(62,500,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(563,246)	682,171	(123,107)	(242,113)	(483,242)	21
Cash & Equivalents at Beginning of Year	222,711	(459,460)	(336,353)	(94,241)	389,001	22
Cash & Equivalents at End of Year	(\$340,535)	\$222,711	(\$459,460)	(\$336,353)	(\$94,241)	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$220,241,142	\$233,076,020	\$246,878,241	\$254,646,983	\$256,500,760
2 Access Lines	215,616	231,033	251,498	271,853	299,197
DOLLAR AMOUNTS					
3 Wages and Benefits	\$20,653,500	\$19,199,146	\$18,870,351	19,198,243	\$21,115,816
4 Depreciation and Amortization	38,865,922	44,313,834	52,523,570	51,662,661	52,155,491
5 Other Operations Expense	61,685,032	60,872,589	58,430,931	67,731,499	70,986,538
6 Total Operation Expenses	121,204,454	124,385,569	129,824,852	138,592,403	144,257,846
7 Income Taxes - Operating Taxes	21,127,099	24,166,659	29,310,512	38,981,550	34,627,719
8 Other Taxes - Operating Taxes	12,843,386	14,296,918	12,402,373	13,620,315	13,308,760
9 Capital Costs	65,066,203	70,226,875	75,340,503	63,452,715	64,306,435
10 Total	\$220,241,142	\$233,076,020	\$246,878,241	\$254,646,983	\$256,500,760
PERCENT OF REVENUES					
11 Wages and Benefits	9.4	8.2	7.6	7.5	8.2
12 Depreciation and Amortization	17.6	19.0	21.3	20.3	20.3
13 Other Operations Expense	28.0	26.1	23.7	26.6	27.7
14 Income Taxes - Operating Taxes	9.6	10.4	11.9	15.3	13.5
15 Other Taxes - Operating Taxes	5.8	6.1	5.0	5.3	5.2
16 Capital Costs	29.5	30.1	30.5	24.9	25.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	95.79	83.10	75.03	70.62	70.57
19 Depreciation and Amortization	180.26	191.81	208.84	190.04	174.32
20 Other Operations Expense	286.09	263.48	232.33	249.15	237.26
21 Income Taxes - Operating Taxes	97.98	104.60	116.54	143.39	115.74
22 Other Taxes - Operating Taxes	59.57	61.88	49.31	50.10	44.48
23 Capital Costs	301.77	303.97	299.57	233.41	214.93
24 Total	1,021.45	1,008.84	981.63	936.71	857.30

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,

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$68,934,571	\$68,366,992	\$69,235,530	\$67,892,395	\$64,839,218	1
Central Office Assets	402,782,446	394,893,340	384,734,782	378,382,289	367,945,869	2
Information Origination/Termination	16,173,000	15,972,113	15,631,827	15,185,077	14,975,619	3
Cable And Wire Facilities	484,857,670	474,467,502	462,769,985	452,872,616	443,826,593	4
Amortizable Assets	3,981,012	3,981,012	3,899,746	3,899,746	3,899,746	5
Total Plant In Service	976,728,699	957,680,959	936,271,870	918,232,123	895,487,045	6
Property Held For Future Use						7
Plant Under Construction	11,245,839	12,103,166	15,226,358	11,396,832	11,975,690	8
Tel. Acquisition	142,404,998	142,404,998	142,404,998	142,404,998	142,404,998	9
Other Plant						10
Nonoperating Plant	37,599	37,599	38,251	38,251	37,599	11
Goodwill						12
Total Telecommunications Plant	1,130,417,135	1,112,226,722	1,093,941,477	1,072,072,204	1,049,905,332	13
Less Acc. Prov. For Depreciation & Amort.	811,820,320	772,302,676	729,927,311	674,970,125	620,953,844	14
Net Total Utility Plant	\$318,596,815	\$339,924,046	\$364,014,166	\$397,102,079	\$428,951,488	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.46	1.54	1.66	1.64	1.48	16
Total Capitalization	\$228,192,518	\$316,535,650	\$319,172,636	\$329,191,212	\$270,986,667	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	1549527.41	394930.81	9476.06	29098.90	5910643.14	22
Com. Stock Dividends as a % of Earnings	271.0%	104.6%	-115.4%	0.0%	102.7%	23
Return on Common Equity	19.0%	18.0%	20.0%	17.7%	22.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	704.8%	653.6%	714.2%	567.6%	420.2%	25
CWIP as a % of Plant	1.0%	1.1%	1.4%	100.0%	94.7%	26

Notes:

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

Current Assets	48,074,730	51,807,377	55,167,216	56,280,965	67,384,818
Current Liabilities	32,873,453	33,647,809	33,166,044	34,409,242	45,394,365
Total Capitalization	228,192,518	316,535,650	319,172,636	329,191,212	270,986,667
Long-Term Debt	0				
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	228,192,518	316,535,650	319,172,636	329,191,212	270,986,667
Short-Term Debt	0				
Pretax Income	80,575,425	88,859,433	98,988,630	90,561,900	93,092,630
Interest Expense	52	225	10,446	3,112	16
Common Dividends Paid	140,000,000	60,000,000	(75,000,000)		62,500,000
Net Income (Excl. Preferred Stock Dividends)	51,656,865	57,363,013	64,981,424	58,204,540	60,864,205
Internal Cash	123,612,697	132,190,921	138,805,788	113,908,760	101,684,899
Cash Outflows for Construction	(17,538,747)	(20,223,711)	(19,435,658)	(20,067,142)	(24,198,514)
CWIP	11,245,839	12,103,166	15,226,358	142,404,998	142,404,998
Total Plant	1,130,417,135	1,112,226,722	1,093,941,477	142,443,249	150,340,085
Shares Outstanding	0				
Number of Employees	277	280	277	304	316

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$219,326)	(\$290,800)	(\$334,790)	(\$387,371)	(\$1,562,999)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	291,662	293,429	250,138	(247,590)	233,303	2
Changes in Deferred Income Taxes	(76,534)	(13,551)	436		(29,682)	3
Changes in Working Capital	184,558	20,447	(73,249)	138,977	55,411	4
Capitalized AFDC - Equity			(46,507)			5
Other	42,993	198,390	228,378	483,777	2,157,849	6
Total Non-Cash Items	442,679	498,715	359,196	375,164	2,416,881	7
Net Cash Provided From Operating Activities	<u>223,353</u>	<u>207,915</u>	<u>24,406</u>	<u>(12,207)</u>	<u>853,882</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(106,719)	(95,118)	(134,997)	(62,023)	(225,846)	9
Purchase of Other Investments		(38,189)	33,844	(203,412)	(3,875)	10
Sale of Other Investments		18,635	23,492	73,475		11
Other						12
Net Cash Provided From Investing Activities	<u>(106,719)</u>	<u>(114,672)</u>	<u>(77,661)</u>	<u>(191,960)</u>	<u>(229,721)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(160,766)	(152,975)	(145,516)	(90,386)	(46,459)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(633)	(18,303)	(32,069)	(25,410)	(50,407)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(161,399)</u>	<u>(171,278)</u>	<u>(177,585)</u>	<u>(115,796)</u>	<u>(96,866)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(44,765)	(78,035)	(230,840)	(319,963)	527,295	21
Cash & Equivalents at Beginning of Year	142,995	221,030	451,870	771,833	244,539	22
Cash & Equivalents at End of Year	\$98,230	\$142,995	\$221,030	\$451,870	\$771,834	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$1,415,870	\$1,749,536	\$1,803,883	\$1,852,826	\$2,028,407
2 Access Lines	862	883	1,043	1,094	1,102
DOLLAR AMOUNTS					
3 Wages and Benefits	\$740,607	\$838,595	\$848,457	940,305	949,870
4 Depreciation and Amortization	291,226	292,991	250,138	243,880	232,869
5 Other Operations Expense	461,630	445,367	556,026	568,810	588,963
6 Total Operation Expenses	1,493,462	1,576,954	1,654,621	1,752,994	1,771,702
7 Income Taxes - Operating Taxes	(71,421)	(5,528)	(39,807)	(73,595)	(21,351)
8 Other Taxes - Operating Taxes	72,289	94,215	103,477	111,019	106,629
9 Capital Costs	(78,460)	83,895	85,591	\$62,408	\$171,427
10 Total	\$1,415,870	\$1,749,536	\$1,803,883	\$1,852,826	\$2,028,407
PERCENT OF REVENUES					
11 Wages and Benefits	52.3	47.9	47.0	50.7	46.8
12 Depreciation and Amortization	20.6	16.7	13.9	13.2	11.5
13 Other Operations Expense	32.6	25.5	30.8	30.7	29.0
14 Income Taxes - Operating Taxes	(5.0)	(0.3)	(2.2)	(4.0)	(1.1)
15 Other Taxes - Operating Taxes	5.1	5.4	5.7	6.0	5.3
16 Capital Costs	(5.5)	4.8	4.7	3.4	8.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	859.17	949.71	813.48	859.51	861.95
19 Depreciation and Amortization	337.85	331.81	239.83	222.92	211.31
20 Other Operations Expense	535.53	504.38	533.10	519.94	534.45
21 Income Taxes - Operating Taxes	(82.85)	(6.26)	(38.17)	(67.27)	(19.37)
22 Other Taxes - Operating Taxes	83.86	106.70	99.21	101.48	96.76
23 Capital Costs	(91.02)	95.01	82.06	57.05	155.56
24 Total	1,642.54	1,981.35	1,729.51	1,693.63	1,840.66

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,554,251	\$1,565,826	\$1,749,284	\$1,783,842	\$1,769,633	1
Central Office Assets	2,073,352	2,023,498	1,955,647	1,955,647	1,832,121	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	3,258,916	3,133,465	3,133,465	2,987,897	2,899,071	4
Amortizable Assets						5
Total Plant In Service	6,938,153	6,774,423	6,890,030	6,779,020	6,552,459	6
Property Held For Future Use						7
Plant Under Construction	114,570	150,869	200,617	216,743	972,537	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	7,052,723	6,925,292	7,090,647	6,995,763	7,524,996	13
Less Acc. Prov. For Depreciation & Amort.	4,193,212	3,919,591	3,811,220	3,592,390	3,395,869	14
Net Total Utility Plant	\$2,859,510	\$3,005,701	\$3,279,427	\$3,403,373	\$4,129,127	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.55	3.33	4.13	3.13	7.01	16
Total Capitalization	\$3,314,173	\$3,689,124	\$4,171,943	\$4,645,057	\$5,148,225	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	97.3%	91.8%	84.9%	79.3%	73.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	2.3%	7.9%	14.4%	19.3%	25.0%	20
Short-Term Debt	0.3%	0.3%	0.7%	1.3%	1.7%	21
Pretax Coverage of Interest Expense	-0.70	-0.62	-0.97	-1.37	-6.75	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-119.4%	-65.2%	-44.7%	-43.2%	-77.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	209.3%	218.6%	18.1%	-19.7%	378.1%	25
CWIP as a % of Plant	1.6%	2.2%	2.8%	3.1%	12.9%	26

Current Assets	532,257	652,043	649,601	929,901	1,358,515
Current Liabilities	344,236	195,578	157,430	296,924	193,863
Total Capitalization	3,314,173	3,689,124	4,171,943	4,645,057	5,148,225
Long-Term Debt	3,226,266	3,387,032	3,540,007	3,685,523	3,775,909
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	76,872	290,423	601,964	897,493	1,284,865
Short-Term Debt	11,036	11,669	29,972	62,041	87,451
Pretax Income	(121,336)	(114,800)	(185,151)	(273,221)	(1,382,245)
Interest Expense	174,525	183,761	190,370	200,010	204,666
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(219,326)	(290,800)	(334,790)	(387,371)	(1,562,999)
Internal Cash	223,353	207,915	24,406	(12,207)	853,882
Cash Outflows for Construction	(106,719)	(95,118)	(134,997)	(62,023)	(225,846)
CWIP	114,570	150,869	200,617	216,743	972,537
Total Plant	7,052,723	6,925,292	7,090,646	6,995,763	7,524,996
Shares Outstanding	243	243	243	243	243
Number of Employees	12	12	12	12	13

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$359,140	\$528,662	\$212,043	\$791,746	\$278,609	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	641,813	823,928	741,306	681,327	691,273	2
Changes in Deferred Income Taxes	87,494	82,806	(69,326)	1,080,064	(88,618)	3
Changes in Working Capital	(952,620)	990,339	(441,161)	512,915	262,160	4
Capitalized AFDC - Equity						5
Other	28,963	(102,497)	17,781	(1,813,602)	(165,584)	6
Total Non-Cash Items	(194,350)	1,794,576	248,600	460,704	699,231	7
Net Cash Provided From Operating Activities	<u>164,790</u>	<u>2,323,238</u>	<u>460,643</u>	<u>1,252,450</u>	<u>977,840</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,198,336)	(1,718,856)	(1,193,500)	(1,499,850)	(218,003)	9
Purchase of Other Investments	(10,506)	(12,578)	(36,100)	(32,601)	40,843	10
Sale of Other Investments	13,465	403,724	4,106	2,564,470	6,015	11
Other					134,678	12
Net Cash Provided From Investing Activities	<u>(1,195,377)</u>	<u>(1,327,710)</u>	<u>(1,225,494)</u>	<u>1,032,019</u>	<u>(36,467)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(175,504)	(162,848)	(151,201)	(140,249)	(130,250)	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>(314,104)</u>	<u>(301,448)</u>	<u>(289,801)</u>	<u>(278,849)</u>	<u>(268,850)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,344,691)	694,080	(1,054,652)	2,005,620	672,523	21
Cash & Equivalents at Beginning of Year	3,953,902	3,259,823	4,314,475	2,308,855	1,636,332	22
Cash & Equivalents at End of Year	\$2,609,211	\$3,953,902	\$3,259,823	\$4,314,475	\$2,308,855	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$3,660,006	\$3,771,111	\$3,669,661	\$3,819,491	\$4,016,427
2 Access Lines	3,920	4,205	4,171	4,478	5,334
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,218,220	\$1,366,365	\$1,316,360	\$1,510,790	\$1,549,555
4 Depreciation and Amortization	641,075	732,581	741,306	681,327	690,534
5 Other Operations Expense	1,029,488	1,307,155	1,207,139	1,068,528	1,309,514
6 Total Operation Expenses	2,888,782	3,406,101	3,264,804	3,260,646	3,549,603
7 Income Taxes - Operating Taxes	201,889	59,246	43,557	77,776	58,260
8 Other Taxes - Operating Taxes	207,138	190,287	206,769	213,259	215,294
9 Capital Costs	362,197	115,476	154,531	267,810	193,270
10 Total	\$3,660,006	\$3,771,111	\$3,669,661	\$3,819,491	\$4,016,427
PERCENT OF REVENUES					
11 Wages and Benefits	33.3	36.2	35.9	39.6	38.6
12 Depreciation and Amortization	17.5	19.4	20.2	17.8	17.2
13 Other Operations Expense	28.1	34.7	32.9	28.0	32.6
14 Income Taxes - Operating Taxes	5.5	1.6	1.2	2.0	1.5
15 Other Taxes - Operating Taxes	5.7	5.0	5.6	5.6	5.4
16 Capital Costs	9.9	3.1	4.2	7.0	4.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	310.77	324.94	315.60	337.38	290.51
19 Depreciation and Amortization	163.54	174.22	177.73	152.15	129.46
20 Other Operations Expense	262.62	310.86	289.41	238.62	245.50
21 Income Taxes - Operating Taxes	51.50	14.09	10.44	17.37	10.92
22 Other Taxes - Operating Taxes	52.84	45.25	49.57	47.62	40.36
23 Capital Costs	92.40	27.46	37.05	59.81	36.23
24 Total	933.67	896.82	879.80	852.95	752.99

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,544,425	\$2,338,565	\$2,323,787	\$2,168,287	2,094,499	1
Central Office Assets	4,748,452	4,394,127	4,542,998	3,763,376	3,643,625	2
Information Origination/Termination	45,079	45,413	46,376	46,840	52,729	3
Cable And Wire Facilities	8,726,889	8,419,104	7,167,620	6,174,744	5,962,622	4
Amortizable Assets						5
Total Plant In Service	16,064,845	15,197,209	14,080,781	12,153,247	11,753,475	6
Property Held For Future Use						7
Plant Under Construction	250,925	176,798	88,743	1,000,265	54,053	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	16,315,770	15,374,007	14,169,524	13,153,512	11,807,528	13
Less Acc. Prov. For Depreciation & Amort.	8,833,557	8,423,174	8,067,525	7,501,545	7,008,004	14
Net Total Utility Plant	\$7,482,213	\$6,950,833	\$6,101,999	\$5,651,967	\$4,799,524	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.92	4.46	14.12	6.29	5.56	16
Total Capitalization	\$10,720,397	\$10,720,398	\$9,393,923	\$9,471,681	\$8,958,784	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	5.2%	7.1%	9.0%	10.5%	12.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.8%	92.9%	91.0%	89.5%	87.3%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	31.38	16.53	5.05	11.84	4.91	22
Com. Stock Dividends as a % of Earnings	38.6%	26.2%	65.4%	17.5%	49.7%	23
Return on Common Equity	4.0%	6.0%	2.5%	9.7%	3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	13.8%	135.2%	38.6%	83.5%	448.5%	25
CWIP as a % of Plant	1.5%	1.1%	0.6%	7.6%	0.5%	26

Current Assets	4,433,094	5,545,248	4,826,009	6,069,410	4,534,557
Current Liabilities	559,936	1,244,168	341,808	964,818	816,138
Total Capitalization	9,666,175	9,621,135	9,393,923	9,471,681	8,958,784
Long-Term Debt	504,479	679,981	842,829	994,030	1,134,279
Preferred Stock		-	-		
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,161,696	8,941,155	8,551,094	8,477,651	7,824,506
Short-Term Debt		-	-		
Pretax Income	580,224	633,423	375,038	1,295,968	448,565
Interest Expense	18,492	38,312	74,322	109,475	91,343
Common Dividends Paid	138,600	138,600	138,600	138,600	138,600
Net Income (Excl. Preferred Stock Dividends)	359,140	528,662	212,043	791,746	278,609
Internal Cash	164,790	2,323,237	460,644	1,252,448	977,840
Cash Outflows for Construction	(1,198,336)	(1,718,856)	(1,193,500)	(1,499,850)	(218,003)
CWIP	250,925	176,798	88,743	1,000,265	54,053
Total Plant	16,315,770	15,374,007	14,169,524	13,153,512	11,807,528
Shares Outstanding	39,600	39600	39600	39600	39,600
Number of Employees	21	22	23	23	27

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$258,001	\$203,590	\$238,982	\$116,757	\$459,268	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,044,456	1,247,144	1,388,219	1,270,174	1,185,691	2
Changes in Deferred Income Taxes	(68,932)	(47,916)	(157,044)	(27,701)	(129,144)	3
Changes in Working Capital	(62,594)	(67,670)	258,210	145,178	(155,917)	4
Capitalized AFDC - Equity	0					5
Other	(76,364)	81,434	(183,445)	(77,052)	(110,062)	6
Total Non-Cash Items	836,566	1,212,992	1,305,940	1,310,599	790,568	7
Net Cash Provided From Operating Activities	<u>1,094,567</u>	<u>1,416,582</u>	<u>1,544,922</u>	<u>1,427,356</u>	<u>1,249,836</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(355,909)	(849,155)	(1,029,637)	(1,401,420)	(852,244)	9
Purchase of Other Investments	0					10
Sale of Other Investments	(10,758)	16,956	(92,457)	(138,916)	(73,790)	11
Other	0					12
Net Cash Provided From Investing Activities	<u>(366,667)</u>	<u>(832,199)</u>	<u>(1,122,094)</u>	<u>(1,540,336)</u>	<u>(926,034)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)	0					
Long-Term Debt	0					14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	(200,000)					17
Dividends Paid	(14,067)	(286,000)			(9,148,000)	18
Other Financing		32,296	503,389	22,284	3,722	19
Net Cash Provided From Financing Activities	<u>(214,067)</u>	<u>(253,704)</u>	<u>503,389</u>	<u>22,284</u>	<u>(9,144,278)</u>	20
Net Increase (Decrease) in Cash & Equivalents	513,833	330,679	926,217	(90,696)	(8,820,476)	21
Cash & Equivalents at Beginning of Year	1,394,860	1,064,181	137,964	228,660	9,049,136	22
Cash & Equivalents at End of Year	\$1,908,693	\$1,394,860	\$1,064,181	\$137,964	\$228,660	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,996,248	\$6,112,484	\$6,251,493	\$6,247,301	\$6,278,852
2 Access Lines	7,287	7,779	8,336	8,959	9,221
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,251,662	\$1,118,090	\$1,227,721	\$1,311,325	1,265,521
4 Depreciation and Amortization	1,044,456	1,247,144	1,388,220	1,270,174	1,185,691
5 Other Operations Expense	3,168,459	3,262,300	3,240,411	3,276,264	3,217,372
6 Total Operation Expenses	5,464,577	5,627,534	5,856,352	5,857,763	5,668,584
7 Income Taxes - Operating Taxes	80,278	39,276	(13,007)	58,262	122,436
8 Other Taxes - Operating Taxes	195,708	260,476	185,664	226,678	230,638
9 Capital Costs	255,685	185,198	222,484	104,598	257,194
10 Total	\$5,996,248	\$6,112,484	\$6,251,493	\$6,247,301	\$6,278,852
PERCENT OF REVENUES					
11 Wages and Benefits	20.9	18.3	19.6	21.0	20.2
12 Depreciation and Amortization	17.4	20.4	22.2	20.3	18.9
13 Other Operations Expense	52.8	53.4	51.8	52.4	51.2
14 Income Taxes - Operating Taxes	1.3	0.6	(0.2)	0.9	1.9
15 Other Taxes - Operating Taxes	3.3	4.3	3.0	3.6	3.7
16 Capital Costs	4.3	3.0	3.6	1.7	4.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	171.77	143.73	147.28	146.37	137.24
19 Depreciation and Amortization	143.33	160.32	166.53	141.78	128.59
20 Other Operations Expense	434.81	419.37	388.72	365.70	348.92
21 Income Taxes - Operating Taxes	11.02	5.05	(1.56)	6.50	13.28
22 Other Taxes - Operating Taxes	26.86	33.48	22.27	25.30	25.01
23 Capital Costs	35.09	23.81	26.69	11.68	27.89
24 Total	822.87	785.77	749.94	697.32	680.93

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,715,528	\$1,897,849	\$1,872,802	\$1,963,380	\$1,877,395	1
Central Office Assets	10,585,487	10,348,358	9,980,665	9,410,450	8,621,907	2
Information Origination/Termination	1,854	7,446	11,346	17,834	16,020	3
Cable And Wire Facilities	11,147,126	11,073,434	10,779,798	10,637,758	10,234,590	4
Amortizable Assets	238,960	283,099	301,744	458,048	543,120	5
Total Plant In Service	23,688,955	23,610,186	22,946,355	22,487,470	21,293,032	6
Property Held For Future Use						7
Plant Under Construction	56,139	204,148	336,897	123,332	312,202	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,745,094	23,814,334	23,283,252	22,610,802	21,605,234	13
Less Acc. Prov. For Depreciation & Amort.	16,334,925	15,726,378	14,780,352	13,841,774	13,106,371	14
Net Total Utility Plant	\$7,410,168	\$8,087,956	\$8,502,900	\$8,769,028	\$8,498,863	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.75	2.57	2.17	1.65	2.05	16
Total Capitalization	\$7,619,784	\$7,490,353	\$7,540,466	\$6,789,913	\$6,727,269	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.1%	0.2%	0.1%	0.2%	0.1%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	99.7%	99.5%	99.8%	99.8%	99.9%	20
Short-Term Debt	0.2%	0.2%	0.1%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	214.90	130.47	221.41	419.58	193.19	22
Com. Stock Dividends as a % of Earnings	77.5%	140.5%	0.0%	0.0%	1991.9%	23
Return on Common Equity	3.4%	2.7%	3.3%	1.7%	4.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	307.5%	166.8%	150.0%	101.9%	146.7%	25
CWIP as a % of Plant	0.2%	0.9%	1.4%	0.5%	1.4%	26

Current Assets	3,366,245	2,588,763	2,615,756	1,790,954	2,018,766
Current Liabilities	1,224,118	1,006,183	1,204,611	1,084,014	985,784
Total Capitalization	7,619,784	7,490,353	7,540,466	6,789,913	6,727,269
Long-Term Debt	6,334	17,772	4,201	11,860	5,757
Preferred Stock	0	-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,598,604	7,455,106	7,528,606	6,778,053	6,721,512
Short-Term Debt	14,846	17,475	7,659		
Pretax Income	340,185	255,717	236,463	182,097	653,546
Interest Expense	1,583	1,960	1,068	434	3,383
Common Dividends Paid	200,000	286,000			9,148,000
Net Income (Excl. Preferred Stock Dividends)	258,001	203,590	238,982	116,757	459,268
Internal Cash	1,094,567	1,416,582	1,544,922	1,427,356	1,249,836
Cash Outflows for Construction	(355,909)	(849,155)	(1,029,637)	(1,401,423)	(852,244)
CWIP	56,139	204,148	336,897	123,332	312,202
Total Plant	23,745,094	23,814,334	23,283,252	22,610,802	21,605,234
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	18	17	19	21	21

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$1,329	\$460,618	(\$657,318)	\$482,944	(\$382,875)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	709,013	775,534	1,297,341	1,255,244	1,240,446	2
Changes in Deferred Income Taxes	40,162	661,437	(188,202)	(731,868)	(163,246)	3
Changes in Working Capital	(107,411)	111,297	(363,247)	(98,683)	696,631	4
Capitalized AFDC - Equity						5
Other	(834,865)	(2,250,493)	1,525	1,924,181	105,870	6
Total Non-Cash Items	(193,101)	(702,225)	747,417	2,348,874	1,879,701	7
Net Cash Provided From Operating Activities	<u>(191,772)</u>	<u>(241,607)</u>	<u>90,099</u>	<u>2,831,818</u>	<u>1,496,826</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(324,924)	(512,632)	(361,532)	(650,003)	(681,981)	9
Purchase of Other Investments	515,000	280,000	1,450,000	(295,000)	871,094	10
Sale of Other Investments	9,907	64,418	44,046	118,145	65,631	11
Other						12
Net Cash Provided From Investing Activities	<u>199,983</u>	<u>(168,214)</u>	<u>1,132,514</u>	<u>(826,858)</u>	<u>254,744</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(30,083)	1,959	(1,597,043)	(182,384)	(178,425)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt			(1,327,027)	269,300	(1,079,300)	17
Dividends Paid						18
Other Financing			(4,842)	4,843	(675,292)	19
Net Cash Provided From Financing Activities	<u>(30,083)</u>	<u>1,959</u>	<u>(2,928,912)</u>	<u>91,759</u>	<u>(1,933,017)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(21,872)	(407,862)	(1,706,299)	2,096,719	(181,447)	21
Cash & Equivalents at Beginning of Year	153,109	560,971	2,267,270	170,551	351,998	22
Cash & Equivalents at End of Year	\$131,237	\$153,109	\$560,971	\$2,267,270	\$170,551	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,684,169	\$5,829,455	\$6,528,822	\$6,700,129	\$7,208,683
2 Access Lines	8,409	8,744	9,114	9,144	9,831
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,384,220	\$2,827,581	\$2,475,240	\$2,411,728	2,454,475
4 Depreciation and Amortization	709,013	775,534	1,293,672	1,254,787	1,239,989
5 Other Operations Expense	2,548,233	3,245,331	3,336,195	3,372,279	3,700,062
6 Total Operation Expenses	5,641,466	6,848,446	7,105,107	7,038,794	7,394,526
7 Income Taxes - Operating Taxes	(165,899)	(514,839)	(386,859)	(342,073)	(319,011)
8 Other Taxes - Operating Taxes	333,532	345,166	351,714	363,389	377,041
9 Capital Costs	(124,930)	(849,318)	(541,140)	(359,981)	(243,873)
10 Total	\$5,684,169	\$5,829,455	\$6,528,822	\$6,700,129	\$7,208,683
PERCENT OF REVENUES					
11 Wages and Benefits	41.9	48.5	37.9	36.0	34.0
12 Depreciation and Amortization	12.5	13.3	19.8	18.7	17.2
13 Other Operations Expense	44.8	55.7	51.1	50.3	51.3
14 Income Taxes - Operating Taxes	(2.9)	(8.8)	(5.9)	(5.1)	(4.4)
15 Other Taxes - Operating Taxes	5.9	5.9	5.4	5.4	5.2
16 Capital Costs	(2.2)	(14.6)	(8.3)	(5.4)	(3.4)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	283.53	323.37	271.59	263.75	249.67
19 Depreciation and Amortization	84.32	88.69	141.94	137.23	126.13
20 Other Operations Expense	303.04	371.15	366.05	368.80	376.37
21 Income Taxes - Operating Taxes	(19.73)	(58.88)	(42.45)	(37.41)	(32.45)
22 Other Taxes - Operating Taxes	39.66	39.47	38.59	39.74	38.35
23 Capital Costs	(14.86)	(97.13)	(59.37)	(39.37)	(24.81)
24 Total	675.96	666.68	716.35	732.74	733.26

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,768,296	\$4,697,680	\$4,616,323	\$4,609,288	4,512,519	1
Central Office Assets	7,434,031	7,268,845	7,208,677	7,116,609	6,708,646	2
Information Origination/Termination	438,557	438,557	438,557	438,557	438,557	3
Cable And Wire Facilities	5,581,694	5,608,279	5,553,068	5,507,112	5,469,829	4
Amortizable Assets	103,127	103,127	103,127	130,699	130,699	5
Total Plant In Service	18,325,705	18,116,488	17,919,752	17,802,265	17,260,250	6
Property Held For Future Use						7
Plant Under Construction	46,320	49,698	20,497		3,351	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,372,025	18,166,186	17,940,249	17,802,265	17,263,601	13
Less Acc. Prov. For Depreciation & Amort.	14,747,133	14,147,299	13,594,045	12,479,874	11,217,985	14
Net Total Utility Plant	\$3,624,892	\$4,018,887	\$4,346,204	\$5,322,391	\$6,045,616	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.79	0.81	1.04	1.46	0.72	16
Total Capitalization	\$8,113,727	\$7,627,481	\$6,884,904	\$9,021,135	\$8,741,724	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.0%	1.5%	1.8%	17.1%	19.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	66.4%	70.6%	71.6%	62.0%	58.4%	20
Short-Term Debt	32.6%	27.9%	26.7%	20.9%	21.7%	21
Pretax Coverage of Interest Expense	-1.03	-40.25	-3.40	-1.74	-2.42	22
Com. Stock Dividends as a % of Earnings					-202.1%	23
Return on Common Equity	-2.3%	-13.9%	-12.2%	-1.8%	-5.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-59.0%	-521.9%	24.9%	244.3%	219.5%	25
CWIP as a % of Plant	0.3%	0.3%	0.1%		0.0%	26

Current Assets	2,323,338	2,370,346	2,668,016	4,252,405	2,348,987
Current Liabilities	2,945,067	2,942,514	2,554,635	2,903,592	3,283,864
Total Capitalization	8,113,727	7,627,481	6,884,904	9,021,135	8,741,724
Long-Term Debt	81,964	115,345	120,972	1,545,384	1,739,456
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,388,446	5,387,117	4,926,499	5,588,660	5,101,165
Short-Term Debt	2,643,317	2,125,019	1,837,433	1,887,091	1,901,103
Pretax Income	(146,170)	(1,199,366)	(794,159)	(491,260)	(462,145)
Interest Expense	141,642	29,800	233,810	281,928	191,269
Common Dividends Paid					675,584
Net Income (Excl. Preferred Stock Dividends)	(121,913)	(714,327)	(640,580)	(95,646)	(334,261)
Internal Cash	(191,772)	(2,675,367)	90,099	1,588,146	1,496,826
Cash Outflows for Construction	(324,924)	(512,632)	(361,532)	(650,003)	(681,981)
CWIP	46,320	49,698	20,497		3,351
Total Plant	18,372,025	18,166,186	17,940,249	17,802,265	17,263,601
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	57	61	57	56	56

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$11,643)	\$491,716	\$66,032	\$371,862	\$255,149	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	565,630	568,644	602,994	629,313	653,043	2
Changes in Deferred Income Taxes	(54,994)	275,776	(32,760)	(205,742)	(33,415)	3
Changes in Working Capital	138,032	(110,428)	88,668	35,829	16,563	4
Capitalized AFDC - Equity						5
Other	97,460	(650,916)	53,972	591,541	(20,273)	6
Total Non-Cash Items	746,128	83,076	712,874	1,050,941	615,918	7
Net Cash Provided From Operating Activities	<u>734,485</u>	<u>574,792</u>	<u>778,906</u>	<u>1,422,803</u>	<u>871,067</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(292,075)	(308,597)	(289,644)	(740,822)	(92,859)	9
Purchase of Other Investments						10
Sale of Other Investments	(2,520)	(36,021)	5,304	28,106	7,247	11
Other						12
Net Cash Provided From Investing Activities	<u>(294,595)</u>	<u>(344,618)</u>	<u>(284,340)</u>	<u>(712,716)</u>	<u>(85,612)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt					(1,594,496)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(257,000)			(3,294,000)	18
Other Financing*	(11,503)	24,996	(4,312)	21,397		19
Net Cash Provided From Financing Activities	<u>(11,503)</u>	<u>(232,004)</u>	<u>(4,312)</u>	<u>21,397</u>	<u>(4,888,496)</u>	20
Net Increase (Decrease) in Cash & Equivalents	428,387	(1,830)	490,254	731,484	(4,103,041)	21
Cash & Equivalents at Beginning of Year	1,571,150	1,572,980	1,082,726	351,242	4,454,283	22
Cash & Equivalents at End of Year	\$1,999,537	\$1,571,150	\$1,572,980	\$1,082,726	\$351,242	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,257,915	\$2,315,357	\$2,317,216	\$2,377,589	\$2,585,835
2 Access Lines	1,961	2,139	2,450	2,720	2,784
DOLLAR AMOUNTS					
3 Wages and Benefits	\$363,889	\$377,178	\$347,429	330,191	408,753
4 Depreciation and Amortization	565,631	568,645	602,925	629,313	653,043
5 Other Operations Expense	1,073,969	1,053,418	1,079,837	943,328	984,665
6 Total Operation Expenses	2,003,489	1,999,241	2,030,191	1,902,832	2,046,461
7 Income Taxes - Operating Taxes	(11,162)	24,398	(6,343)	136,004	85,236
8 Other Taxes - Operating Taxes	174,037	194,684	169,421	112,726	190,509
9 Capital Costs	91,551	97,034	123,947	226,027	263,629
10 Total	\$2,257,915	\$2,315,357	\$2,317,216	\$2,377,589	\$2,585,835
PERCENT OF REVENUES					
11 Wages and Benefits	16.1	16.3	15.0	13.9	15.8
12 Depreciation and Amortization	25.1	24.6	26.0	26.5	25.3
13 Other Operations Expense	47.6	45.5	46.6	39.7	38.1
14 Income Taxes - Operating Taxes	(0.5)	1.1	(0.3)	5.7	3.3
15 Other Taxes - Operating Taxes	7.7	8.4	7.3	4.7	7.4
16 Capital Costs	4.1	4.2	5.3	9.5	10.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	185.56	176.33	141.81	121.39	146.82
19 Depreciation and Amortization	288.44	265.85	246.09	231.37	234.57
20 Other Operations Expense	547.66	492.48	440.75	346.81	353.69
21 Income Taxes - Operating Taxes	(5.69)	11.41	(2.59)	50.00	30.62
22 Other Taxes - Operating Taxes	88.75	91.02	69.15	41.44	68.43
23 Capital Costs	46.69	45.36	50.59	83.10	94.69
24 Total	1,151.41	1,082.45	945.80	874.11	928.82

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$830,136	\$910,986	\$906,197	\$939,369	\$912,523	1
Central Office Assets	2,974,234	2,758,905	3,188,000	3,061,789	2,903,690	2
Information Origination/Termination		3,040	9,017	14,572	15,526	3
Cable And Wire Facilities	6,811,823	6,760,975	6,669,112	6,600,329	6,402,369	4
Amortizable Assets	70,791	101,930	86,253	106,424	79,234	5
Total Plant In Service	10,686,984	10,535,836	10,858,579	10,722,483	10,313,342	6
Property Held For Future Use						7
Plant Under Construction	23,303	34,416	67,343	226,972	691	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,710,287	10,570,252	10,925,922	10,949,455	10,314,033	13
Less Acc. Prov. For Depreciation & Amort.	7,884,519	7,473,450	7,605,163	7,310,042	6,811,778	14
Net Total Utility Plant	\$2,825,768	\$3,096,802	\$3,320,759	\$3,639,413	\$3,502,255	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.75	8.74	6.32	6.76	3.23	16
Total Capitalization	\$2,677,380	\$2,682,863	\$2,423,151	\$2,361,431	\$1,991,049	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.1%	0.2%	0.3%	0.7%		18
Preferred Stock						19
Common Stock & Retained Earnings	99.8%	99.4%	99.3%	98.9%	100.0%	20
Short-Term Debt	0.1%	0.4%	0.4%	0.4%		21
Pretax Coverage of Interest Expense	0.85	15.83	1.76	9.67	3.96	22
Com. Stock Dividends as a % of Earnings		52.3%			1291.0%	23
Return on Common Equity	-0.4%	19.4%	2.8%	15.9%	7.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	251.5%	186.3%	268.9%	192.1%	938.1%	25
CWIP as a % of Plant	0.2%	0.3%	0.6%	2.1%	0.0%	26

Current Assets	2,467,255	2,041,908	2,075,146	1,588,122	931,887
Current Liabilities	365,578	233,722	328,538	234,879	288,649
Total Capitalization	2,677,380	2,682,863	2,423,151	2,361,431	1,991,049
Long-Term Debt	1,867	5,601	7,768	17,090	
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,671,780	2,665,760	2,406,061	2,335,019	1,991,049
Short-Term Debt	3,733	11,502	9,322	9,322	
Pretax Income	96,829	838,737	216,826	674,376	460,586
Interest Expense	114,390	52,990	122,857	69,771	116,182
Common Dividends Paid		257,000			3,294,000
Net Income (Excl. Preferred Stock Dividends)	(11,643)	491,716	66,032	371,862	255,149
Internal Cash	734,485	574,792	778,906	1,422,803	871,067
Cash Outflows for Construction	(292,075)	(308,597)	(289,644)	(740,822)	(92,859)
CWIP	23,303	34,416	67,343	226,972	691
Total Plant	10,710,287	10,570,252	10,925,922	10,949,455	10,314,033
Shares Outstanding	676	676	676	676	676
Number of Employees	5	5	5	5	6

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$318,106)	(\$248,235)	(\$409,022)	(\$73,922)	\$279,723	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,216,993	1,184,379	1,201,523	1,422,191	1,352,976	2
Changes in Deferred Income Taxes	79,623	154,964	13,328	(648,777)	(149,438)	3
Changes in Working Capital	(96,549)	(886,315)	135,223	(651,906)	7,019	4
Capitalized AFDC - Equity						5
Other	228,730	247,398	525,908	(540,365)	(1,156)	6
Total Non-Cash Items	1,428,797	700,426	1,875,982	(418,857)	1,209,401	7
Net Cash Provided From Operating Activities	<u>1,110,691</u>	<u>452,191</u>	<u>1,466,960</u>	<u>(492,779)</u>	<u>1,489,124</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(889,559)	(1,376,048)	(1,477,923)	(1,667,925)	(1,339,646)	9
Purchase of Other Investments			(194,955)	(323,396)	(210,726)	10
Sale of Other Investments	20,758	(35,036)	(24,721)	2,265,611	(43,394)	11
Other						12
Net Cash Provided From Investing Activities	<u>(868,801)</u>	<u>(1,411,084)</u>	<u>(1,697,599)</u>	<u>274,290</u>	<u>(1,593,766)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(118,315)	(149,229)	(143,779)	(152,919)	(166,532)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(118,315)</u>	<u>(149,229)</u>	<u>(143,779)</u>	<u>(152,919)</u>	<u>(166,532)</u>	20
Net Increase (Decrease) in Cash & Equivalents	123,575	(1,108,122)	(374,418)	(371,408)	(271,174)	21
Cash & Equivalents at Beginning of Year	555,571	1,663,693	2,038,111	2,409,519	2,680,693	22
Cash & Equivalents at End of Year	\$679,146	\$555,571	\$1,663,693	\$2,038,111	\$2,409,519	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$4,746,544	\$5,003,303	\$5,413,139	\$4,918,976	\$5,318,175
2 Access Lines	5,725	6,033	6,998	8,077	8,077
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,801,623	\$1,955,602	\$2,036,573	\$1,918,307	1,771,048
4 Depreciation and Amortization	1,209,136	1,176,522	1,192,627	1,414,334	1,345,119
5 Other Operations Expense	1,473,699	1,767,455	1,540,266	1,731,055	1,611,710
6 Total Operation Expenses	4,484,458	4,899,579	4,769,466	5,063,696	4,727,877
7 Income Taxes - Operating Taxes	(63,602)	(106,888)	29,006	(188,601)	13,865
8 Other Taxes - Operating Taxes	300,975	282,112	368,561	312,436	279,970
9 Capital Costs	24,713	(71,500)	246,106	(268,555)	296,463
10 Total	\$4,746,544	\$5,003,303	\$5,413,139	\$4,918,976	\$5,318,175
PERCENT OF REVENUES					
11 Wages and Benefits	38.0	39.1	37.6	39.0	33.3
12 Depreciation and Amortization	25.5	23.5	22.0	28.8	25.3
13 Other Operations Expense	31.0	35.3	28.5	35.2	30.3
14 Income Taxes - Operating Taxes	(1.3)	(2.1)	0.5	(3.8)	0.3
15 Other Taxes - Operating Taxes	6.3	5.6	6.8	6.4	5.3
16 Capital Costs	0.5	(1.4)	4.5	(5.5)	5.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	314.69	324.15	291.02	237.50	219.27
19 Depreciation and Amortization	211.20	195.01	170.42	175.11	166.54
20 Other Operations Expense	257.41	292.96	220.10	214.32	199.54
21 Income Taxes - Operating Taxes	(11.11)	(17.72)	4.14	(23.35)	1.72
22 Other Taxes - Operating Taxes	52.57	46.76	52.67	38.68	34.66
23 Capital Costs	4.32	(11.85)	35.17	(33.25)	36.70
24 Total	829.09	829.32	773.53	609.01	658.43

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$6,531,408	\$6,532,569	\$6,373,834	\$6,328,371	\$5,882,564	1
Central Office Assets	9,349,198	8,926,779	8,603,484	8,085,324	7,628,896	2
Information Origination/Termination	101,922	100,497	91,024	88,204	85,266	3
Cable And Wire Facilities	15,614,536	15,129,050	14,513,613	13,902,906	12,648,096	4
Amortizable Assets	264	264	264	264	264	5
Total Plant In Service	31,597,328	30,689,159	29,582,219	28,405,069	26,245,086	6
Property Held For Future Use						7
Plant Under Construction	285,137	567,692	737,082	665,568	1,537,914	8
Tel. Acquisition	417,821		142,838	142,838	142,838	9
Other Plant		142,838				
		274,983	274,983	274,983	274,983	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	32,300,286	31,674,672	30,737,122	29,488,458	28,200,821	13
Less Acc. Prov. For Depreciation & Amort.	18,897,880	17,927,835	17,130,464	16,225,603	15,196,163	14
Net Total Utility Plant	\$13,402,406	\$13,746,837	\$13,606,658	\$13,262,855	\$13,004,658	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-7.08	7.71	8.22	8.29	5.81	16
Total Capitalization	\$21,088,011	\$21,308,442	\$22,481,544	\$22,466,743	\$22,603,541	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.9%	1.4%	2.0%	2.7%	3.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.1%	98.6%	98.0%	97.3%	96.7%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-6.51	-4.87	-3.22	-0.92	7.63	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-1.5%	-1.2%	-1.9%	-0.3%	1.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	124.9%	32.9%	99.3%	-29.5%	111.2%	25
CWIP as a % of Plant	0.9%	1.8%	2.4%	2.3%	5.5%	26

Current Assets	2,782,278	3,278,131	3,439,064	4,035,980	3,955,861
Current Liabilities	(392,767)	424,934	418,175	486,641	680,981
Total Capitalization	21,088,011	21,308,442	22,481,544	22,466,743	22,603,541
Long-Term Debt	185,819	304,133	453,362	597,141	750,012
Preferred Stock		-	-	-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	20,902,192	21,004,309	22,028,182	21,869,602	21,853,529
Short-Term Debt		-	-	-	
Pretax Income	(416,760)	(345,958)	(351,717)	(39,979)	330,708
Interest Expense	64,044	71,008	109,334	43,543	43,364
Common Dividends Paid		-	-	-	
Net Income (Excl. Preferred Stock Dividends)	(318,106)	(248,235)	(409,022)	(73,922)	279,723
Internal Cash	1,110,691	452,191	1,466,960	(492,779)	1,489,124
Cash Outflows for Construction	(889,559)	(1,376,048)	(1,477,923)	(1,667,925)	(1,339,646)
CWIP	285,137	567,692	737,082	665,568	1,537,914
Total Plant	32,300,286	31,674,672	30,737,122	29,488,458	28,200,821
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	55	55	55	55	56

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$7,541)	\$18,677	(\$45,060)	\$27,351	\$18,387	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	125,686	123,775	125,232	122,154	118,233	2
Changes in Deferred Income Taxes	(2,216)	(4,734)	3,044	(2,694)	(1,853)	3
Changes in Working Capital	(9,507)	(33,659)	(52,611)	12,919	(1,717)	4
Capitalized AFDC - Equity						5
Other	20,351	8,601	30,532	37,038	(116,976)	6
Total Non-Cash Items	134,314	93,983	106,197	169,417	(2,313)	7
Net Cash Provided From Operating Activities	<u>126,773</u>	<u>112,660</u>	<u>61,137</u>	<u>196,768</u>	<u>16,074</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(61,478)	(48,189)	(182,501)	(147,631)	(134,290)	9
Purchase of Other Investments	33,038	20,170	(97,166)	175,000	(15,000)	10
Sale of Other Investments		11,500				11
Other						12
Net Cash Provided From Investing Activities	<u>(28,440)</u>	<u>(16,519)</u>	<u>(279,667)</u>	<u>27,369</u>	<u>(149,290)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(29,505)	(45,576)	(42,302)	(38,506)	(40,540)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(100,000)		18
Other Financing	(45,349)	3,698	236,974	(258,502)		19
Net Cash Provided From Financing Activities	<u>(74,854)</u>	<u>(41,878)</u>	<u>194,672</u>	<u>(397,008)</u>	<u>(40,540)</u>	20
Net Increase (Decrease) in Cash & Equivalents	23,479	54,263	(23,858)	(172,871)	(173,756)	21
Cash & Equivalents at Beginning of Year	102,237	47,974	71,832	244,703	418,459	22
Cash & Equivalents at End of Year	\$125,716	\$102,237	\$47,974	\$71,832	\$244,703	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$1,523,616	\$1,461,036	\$1,393,528	\$1,359,649	\$1,311,624
2 Access Lines	969	992	996	1,011	1,053
DOLLAR AMOUNTS					
3 Wages and Benefits	\$418,137	\$455,340	\$456,188	\$423,405	\$381,962
4 Depreciation and Amortization	125,686	123,775	125,232	122,154	117,892
5 Other Operations Expense	899,771	806,254	808,762	751,500	755,513
6 Total Operation Expenses	1,443,594	1,385,369	1,390,182	1,297,059	1,255,367
7 Income Taxes - Operating Taxes	57,988	51,115	55,917	56,583	53,382
8 Other Taxes - Operating Taxes					
9 Capital Costs	22,034	24,552	(52,571)	6,007	2,875
10 Total	\$1,523,616	\$1,461,036	\$1,393,528	\$1,359,649	\$1,311,624
PERCENT OF REVENUES					
11 Wages and Benefits	27.4	31.2	32.7	31.1	29.1
12 Depreciation and Amortization	8.2	8.5	9.0	9.0	9.0
13 Other Operations Expense	59.1	55.2	58.0	55.3	57.6
14 Income Taxes - Operating Taxes	3.8	3.5	4.0	4.2	4.1
15 Other Taxes - Operating Taxes					
16 Capital Costs	1.4	1.7	(3.8)	0.4	0.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	431.51	459.01	458.02	418.80	362.74
19 Depreciation and Amortization	129.71	124.77	125.73	120.82	111.96
20 Other Operations Expense	928.56	812.76	812.01	743.32	717.49
21 Income Taxes - Operating Taxes	59.84	51.53	56.14	55.97	50.70
22 Other Taxes - Operating Taxes					
23 Capital Costs	22.74	24.75	(52.78)	5.94	2.73
24 Total	1,572.36	1,472.82	1,399.12	1,344.86	1,245.61

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$259,436	\$259,436	\$213,710	\$221,630	\$220,707	1
Central Office Assets	1,034,758	972,416	963,994	1,000,838	937,101	2
Information Origination/Termination Cable And Wire Facilities	1,107,720	1,105,132	1,083,812	1,043,427	997,762	3 4
Amortizable Assets	43,175	43,175	48,637	46,720	31,240	5
Total Plant In Service	2,445,089	2,380,159	2,310,153	2,312,615	2,186,810	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	2,445,089	2,380,159	2,310,153	2,312,615	2,186,810	13
Less Acc. Prov. For Depreciation & Amort.	1,451,918	1,345,351	1,289,792	1,228,700	1,136,249	14
Net Total Utility Plant	\$993,171	\$1,034,808	\$1,020,361	\$1,083,915	\$1,050,561	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.70	2.72	2.25	1.90	4.22	16
Total Capitalization	\$1,652,921	\$1,679,439	\$1,608,862	\$1,662,737	\$1,765,952	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	4.7%	5.8%	2.8%	3.3%	4.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	95.3%	94.2%	97.2%	96.7%	95.2%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.32	1.79	-1.95	2.95	2.09	22
Com. Stock Dividends as a % of Earnings				365.6%		23
Return on Common Equity	-0.5%	1.2%	-2.8%	1.7%	1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	206.2%	233.8%	33.5%	133.3%	12.0%	25
CWIP as a % of Plant						26

Current Assets	361,028	315,555	291,124	351,040	562,565
Current Liabilities	97,670	116,188	129,258	185,114	133,244
Total Capitalization	1,652,921	1,679,439	1,608,862	1,662,737	1,765,952
Long-Term Debt	78,299	97,276	45,376	54,191	84,757
Preferred Stock		-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,574,622	1,582,163	1,563,486	1,608,546	1,681,195
Short-Term Debt		-			
Pretax Income	4,537	31,509	(27,768)	48,694	41,547
Interest Expense	14,294	17,566	14,248	16,498	19,915
Common Dividends Paid				100,000	
Net Income (Excl. Preferred Stock Dividends)	(7,541)	18,677	(45,060)	27,351	18,387
Internal Cash	126,773	112,660	61,137	196,768	16,074
Cash Outflows for Construction	(61,478)	(48,189)	(182,501)	(147,631)	(134,290)
CWIP					
Total Plant	2,445,089	2,380,159	2,310,153	2,312,615	2,186,810
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees	5	5	5	5	4

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$1,064,849	\$2,941,653	\$1,211,479	\$3,929,002	\$1,538,654	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	948,489	928,253	925,634	791,428	1,143,856	2
Changes in Deferred Income Taxes	(16,724)	684,857	(412,226)	88,973	346,505	3
Changes in Working Capital	893,293	(1,123,730)	508,439	466,123	(7,586,416)	4
Capitalized AFDC - Equity						5
Other	58,204	(2,029,864)	2,090,052	3,146	(565,791)	6
Total Non-Cash Items	1,883,262	(1,540,485)	3,111,899	1,349,670	(6,661,846)	7
Net Cash Provided From Operating Activities	<u>2,948,112</u>	<u>1,401,168</u>	<u>4,323,378</u>	<u>5,278,672</u>	<u>(5,123,192)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(368,353)	(266,181)	(402,988)	(113,262)	(827,445)	9
Purchase of Other Investments	(2,512,536)	918,936	(790,896)	(5,152,284)	5,924,344	10
Sale of Other Investments						11
Other	12,792	(147,095)	(23,578)			12
Net Cash Provided From Investing Activities	<u>(2,868,097)</u>	<u>505,660</u>	<u>(1,217,462)</u>	<u>(5,265,546)</u>	<u>5,096,899</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)	(3,100,000)			18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(2,000,000)</u>	<u>(3,100,000)</u>			20
Net Increase (Decrease) in Cash & Equivalents	80,014	(93,173)	5,916	13,126	(26,293)	21
Cash & Equivalents at Beginning of Year	(82,606)	10,567	4,650	(8,476)	17,817	22
Cash & Equivalents at End of Year	(\$2,592)	(\$82,606)	\$10,567	\$4,650	(\$8,476)	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,146,466	\$5,502,318	\$6,166,027	\$5,962,484	\$5,763,028
2 Access Lines	5,573	5,860	6,064	6,249	6,459
DOLLAR AMOUNTS					
3 Wages and Benefits	\$650,783	\$612,475	\$466,912	\$561,233	\$747,556
4 Depreciation and Amortization	948,490	928,253	925,634	1,098,359	1,143,856
5 Other Operations Expense	1,795,483	1,753,869	1,778,060	1,847,581	1,539,027
6 Total Operation Expenses	3,394,756	3,294,596	3,170,606	3,507,173	3,430,439
7 Income Taxes - Operating Taxes	506,402	662,498	952,197	760,266	712,544
8 Other Taxes - Operating Taxes	306,190	314,869	274,860	283,122	296,750
9 Capital Costs	939,118	1,230,355	1,768,363	1,411,924	1,323,295
10 Total	\$5,146,466	\$5,502,318	\$6,166,027	\$5,962,484	\$5,763,028
PERCENT OF REVENUES					
11 Wages and Benefits	12.6	11.1	7.6	9.4	13.0
12 Depreciation and Amortization	18.4	16.9	15.0	18.4	19.8
13 Other Operations Expense	34.9	31.9	28.8	31.0	26.7
14 Income Taxes - Operating Taxes	9.8	12.0	15.4	12.8	12.4
15 Other Taxes - Operating Taxes	5.9	5.7	4.5	4.7	5.1
16 Capital Costs	18.2	22.4	28.7	23.7	23.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	116.77	104.52	77.00	89.81	115.74
19 Depreciation and Amortization	170.19	158.40	152.64	175.77	177.09
20 Other Operations Expense	322.18	299.30	293.22	295.66	238.28
21 Income Taxes - Operating Taxes	90.87	113.05	157.02	121.66	110.32
22 Other Taxes - Operating Taxes	54.94	53.73	45.33	45.31	45.94
23 Capital Costs	168.51	209.96	291.62	225.94	204.88
24 Total	923.46	938.96	1,016.83	954.15	892.25

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,795,177	\$1,789,227	\$1,843,647	\$1,839,847	\$1,932,286	1
Central Office Assets	7,936,136	7,817,155	7,686,639	7,584,054	7,270,289	2
Information Origination/Termination	203,566	203,154	200,984	198,185	193,479	3
Cable And Wire Facilities	13,210,377	12,961,986	12,665,414	12,537,042	12,400,433	4
Amortizable Assets						5
Total Plant In Service	23,145,256	22,771,522	22,396,684	22,159,128	21,796,487	6
Property Held For Future Use						7
Plant Under Construction	185,337	190,718	299,376	140,797	224,054	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,330,593	22,962,240	22,696,060	22,299,925	22,020,541	13
Less Acc. Prov. For Depreciation & Amort.	18,077,451	17,116,168	16,335,007	15,439,802	14,488,380	14
Net Total Utility Plant	\$5,253,142	\$5,846,072	\$6,361,053	\$6,860,123	\$7,532,161	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.93	3.12	1.40	2.34	2.75	16
Total Capitalization	\$14,225,950	\$13,161,102	\$12,219,450	\$14,226,975	\$10,298,343	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				0.8%	1.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.2%	98.8%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	154.04	-45.15	16.64	789.81	204.33	22
Com. Stock Dividends as a % of Earnings		68.0%	255.9%			23
Return on Common Equity	7.8%	23.2%	9.2%	32.4%	16.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	938.5%	704.4%	1183.5%	4660.6%	-619.2%	25
CWIP as a % of Plant		0.8%	1.3%	0.6%	1.0%	26

Current Assets	1,280,621	2,152,558	1,483,341	1,617,253	2,156,680
Current Liabilities	665,166	689,238	1,061,432	690,802	784,425
Total Capitalization	14,225,950	13,161,102	12,219,450	14,226,975	10,298,343
Long-Term Debt				119,005	119,375
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	14,225,950	13,161,102	12,219,450	14,107,970	10,178,968
Short-Term Debt					
Pretax Income	1,680,388	4,442,835	1,957,473	6,011,201	2,363,972
Interest Expense	10,909	(98,400)	117,653	7,611	11,570
Common Dividends Paid		2,000,000	3,100,000		
Net Income (Excl. Preferred Stock Dividends)	1,064,848	2,941,652	1,211,477	3,929,002	1,538,654
Internal Cash	3,457,036	1,874,998	4,769,436	5,278,670	(5,123,192)
Cash Outflows for Construction	(368,353)	(266,181)	(402,988)	(113,262)	(827,445)
CWIP		190,718	299,376	140,797	224,054
Total Plant	23,330,593	22,962,240	22,696,060	22,299,925	22,020,540
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**

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$16,081,315	\$19,453,040	\$22,240,917	\$23,836,025	\$25,225,925	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	8,434,498	9,802,045	9,792,203	9,977,816	9,250,362	2
Changes in Deferred Income Taxes	700,273	(1,168,267)	1,840,465	267,224	1,650,941	3
Changes in Working Capital	(1,830,071)	3,854,662	(3,552,055)	4,822,420	(11,552,871)	4
Capitalized AFDC - Equity						5
Other	448,678	589,798	247,664	(940,323)	(552,077)	6
Total Non-Cash Items	7,753,378	13,078,238	8,328,277	14,127,137	(1,203,647)	7
Net Cash Provided From Operating Activities	<u>23,834,693</u>	<u>32,531,278</u>	<u>30,569,194</u>	<u>37,963,162</u>	<u>24,022,278</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,544,844)	(713,003)	(3,693,117)	(2,888,723)	(5,047,063)	9
Purchase of Other Investments	(17,445,447)	(931,742)	(3,519,392)	(35,200,610)	(18,640,228)	10
Sale of Other Investments						11
Other	(843,203)	(2,791,227)	(144,399)			12
Net Cash Provided From Investing Activities	<u>(19,833,494)</u>	<u>(4,435,972)</u>	<u>(7,356,908)</u>	<u>(38,089,333)</u>	<u>(23,687,291)</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	(4,000,000)	(28,000,000)	(24,000,000)			18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(4,000,000)</u>	<u>(28,000,000)</u>	<u>(24,000,000)</u>			20
Net Increase (Decrease) in Cash & Equivalents	1,199	95,305	(787,714)	(126,171)	334,987	21
Cash & Equivalents at Beginning of Year	40,820	(54,485)	733,228	859,400	524,412	22
Cash & Equivalents at End of Year	\$42,019	\$40,820	(\$54,485)	\$733,228	\$859,400	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$54,625,491	\$57,904,186	\$64,162,212	\$69,029,426	\$70,427,364
2 Access Lines	46,290	50,205	56,507	67,247	72,442
DOLLAR AMOUNTS					
3 Wages and Benefits	\$3,652,425	\$4,213,039	\$3,998,507	\$3,063,261	\$5,955,548
4 Depreciation and Amortization	8,434,498	9,802,045	9,792,203	9,977,816	9,250,362
5 Other Operations Expense	16,135,568	17,140,696	20,152,642	21,412,775	13,643,283
6 Total Operation Expenses	28,222,491	31,155,780	33,943,352	34,453,851	28,849,193
7 Income Taxes - Operating Taxes	8,156,361	8,090,087	9,454,152	11,019,977	13,457,583
8 Other Taxes - Operating Taxes	3,230,911	3,633,873	3,206,998	3,089,925	3,127,935
9 Capital Costs	15,015,728	15,024,446	17,557,710	20,465,673	24,992,653
10 Total	\$54,625,491	\$57,904,186	\$64,162,212	\$69,029,426	\$70,427,364
PERCENT OF REVENUES					
11 Wages and Benefits	6.7	7.3	6.2	4.4	8.5
12 Depreciation and Amortization	15.4	16.9	15.3	14.5	13.1
13 Other Operations Expense	29.5	29.6	31.4	31.0	19.4
14 Income Taxes - Operating Taxes	14.9	14.0	14.7	16.0	19.1
15 Other Taxes - Operating Taxes	5.9	6.3	5.0	4.5	4.4
16 Capital Costs	27.5	25.9	27.4	29.6	35.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	78.90	83.92	70.76	45.55	82.21
19 Depreciation and Amortization	182.21	195.24	173.29	148.38	127.69
20 Other Operations Expense	348.58	341.41	356.64	318.42	188.33
21 Income Taxes - Operating Taxes	176.20	161.14	167.31	163.87	185.77
22 Other Taxes - Operating Taxes	69.80	72.38	56.75	45.95	43.18
23 Capital Costs	324.38	299.26	310.72	304.34	345.00
24 Total	1,180.07	1,153.35	1,135.47	1,026.51	972.19

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$16,812,910	\$16,820,171	\$18,371,447	\$18,162,960	\$18,004,459	1
Central Office Assets	86,307,079	85,401,101	84,130,377	83,319,745	82,267,914	2
Information Origination/Termination	2,267,119	2,192,272	2,062,047	1,966,227	66,624	3
Cable And Wire Facilities	80,999,235	80,046,375	78,525,112	76,798,883	74,707,383	4
Amortizable Assets	31,214	31,214	31,214	31,214	2,116,510	5
Total Plant In Service	186,417,557	184,491,133	183,120,197	180,279,029	177,162,889	6
Property Held For Future Use		38,544	38,544	38,544	38,544	7
Plant Under Construction	875,372	1,218,410	1,848,933	1,610,861	1,417,862	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	187,292,929	185,748,087	185,007,674	181,928,434	178,619,295	13
Less Acc. Prov. For Depreciation & Amort.	143,352,260	135,760,968	128,722,749	119,688,817	110,534,884	14
Net Total Utility Plant	\$43,940,669	\$49,987,119	\$56,284,925	\$62,239,617	\$68,084,411	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.25	1.66	2.39	1.84	1.83	16
Total Capitalization	\$139,662,315	\$127,581,000	\$136,127,964	\$137,887,042	\$114,051,018	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	25.1%	143.9%	107.9%			23
Return on Common Equity	11.9%	14.8%	16.2%	18.9%	24.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1815.2%	5167.9%	944.9%	1314.2%	476.0%	25
CWIP as a % of Plant	0.7%	0.7%	1.0%	0.9%	0.8%	26

Current Assets	11,606,490	12,111,363	14,994,805	13,118,037	26,920,891
Current Liabilities	5,155,815	7,300,239	6,271,967	7,145,097	14,735,265
Total Capitalization	139,662,315	127,581,000	136,127,964	137,887,042	114,051,018
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	139,662,315	127,581,000	136,127,964	137,887,042	114,051,018
Short-Term Debt					
Pretax Income	25,754,309	30,871,756	34,705,934	36,935,370	39,765,360
Interest Expense	901,821	807,834	721,035	640,873	1,107,068
Common Dividends Paid	4,000,000	28,000,000	24,000,000		
Net Income (Excl. Preferred Stock Dividends)	15,949,518	19,453,035	22,240,917	23,836,025	25,225,925
Internal Cash	28,041,641	36,847,516	34,895,763	37,963,162	24,022,278
Cash Outflows for Construction	(1,544,844)	(713,003)	(3,693,117)	(2,888,723)	(5,047,063)
CWIP	1,218,410	1,218,410	1,848,933	1,610,861	1,417,862
Total Plant	187,292,929	185,748,087	185,007,674	181,928,434	178,619,295
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	46	49	50	57	59

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$1,495,043	\$2,677,753	\$1,435,115	\$2,993,454	\$1,528,623	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	802,886	814,600	1,013,529	1,377,895	1,690,335	2
Changes in Deferred Income Taxes	652,412	396,350	(764,614)	(129,372)	(63,897)	3
Changes in Working Capital	(16,136)	(1,140,302)	657,490	534,626	(2,951,469)	4
Capitalized AFDC - Equity						5
Other	(20,527)	(1,176,984)	1,119,570	(91,412)	(460,783)	6
Total Non-Cash Items	1,418,634	(1,106,336)	2,025,975	1,691,737	(1,785,814)	7
Net Cash Provided From Operating Activities	<u>2,913,677</u>	<u>1,571,417</u>	<u>3,461,090</u>	<u>4,685,191</u>	<u>(257,191)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(568,150)	(425,639)	(737,730)	(596,969)	(682,751)	9
Purchase of Other Investments	(2,270,075)	2,070,446	(667,217)	(4,041,926)	871,997	10
Sale of Other Investments						11
Other	(86,885)	(240,532)	45,035			12
Net Cash Provided From Investing Activities	<u>(2,925,110)</u>	<u>1,404,275</u>	<u>(1,359,912)</u>	<u>(4,638,895)</u>	<u>189,246</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		(3,000,000)	(2,100,000)			18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(3,000,000)</u>	<u>(2,100,000)</u>			20
Net Increase (Decrease) in Cash & Equivalents	(11,432)	(24,308)	1,178	46,296	(67,945)	21
Cash & Equivalents at Beginning of Year	15,944	40,252	39,074	(7,222)	60,724	22
Cash & Equivalents at End of Year	\$4,511	\$15,944	\$40,252	\$39,074	(\$7,222)	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,748,541	\$5,959,624	\$6,546,922	\$6,742,684	\$6,416,969
2 Access Lines	6,755	7,216	7,877	8,439	9,102
DOLLAR AMOUNTS					
3 Wages and Benefits	\$500,519	\$491,188	\$427,399	\$370,199	\$655,703
4 Depreciation and Amortization	802,886	814,600	1,013,529	1,502,905	1,690,335
5 Other Operations Expense	1,899,214	1,878,985	2,066,302	2,081,394	1,544,326
6 Total Operation Expenses	3,202,618	3,184,773	3,507,230	3,954,499	3,890,364
7 Income Taxes - Operating Taxes	764,125	1,460,606	743,259	1,566,703	806,029
8 Other Taxes - Operating Taxes	362,710	322,555	324,144	339,391	342,485
9 Capital Costs	1,419,088	991,690	1,972,289	882,091	1,378,091
10 Total	\$5,748,541	\$5,959,624	\$6,546,922	\$6,742,684	\$6,416,969
PERCENT OF REVENUES					
11 Wages and Benefits	8.7	8.2	6.5	5.5	10.2
12 Depreciation and Amortization	14.0	13.7	15.5	22.3	26.3
13 Other Operations Expense	33.0	31.5	31.6	30.9	24.1
14 Income Taxes - Operating Taxes	13.3	24.5	11.4	23.2	12.6
15 Other Taxes - Operating Taxes	6.3	5.4	5.0	5.0	5.3
16 Capital Costs	24.7	16.6	30.1	13.1	21.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	74.10	68.07	54.26	43.87	72.04
19 Depreciation and Amortization	118.86	112.89	128.67	178.09	185.71
20 Other Operations Expense	281.16	260.39	262.32	246.64	169.67
21 Income Taxes - Operating Taxes	113.12	202.41	94.36	185.65	88.56
22 Other Taxes - Operating Taxes	53.70	44.70	41.15	40.22	37.63
23 Capital Costs	210.08	137.43	250.39	104.53	151.41
24 Total	851.01	825.89	831.14	798.99	705.01

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,905,303	\$1,924,076	\$1,908,648	\$1,813,943	\$1,791,923	1
Central Office Assets	11,511,208	11,348,050	11,090,654	10,878,449	10,533,083	2
Information Origination/Termination	69,302	54,492	52,030	46,958		3
Cable And Wire Facilities	11,775,903	11,400,035	11,048,365	10,736,463	10,544,999	4
Amortizable Assets					48,664	5
Total Plant In Service	25,261,716	24,726,653	24,099,697	23,475,813	22,918,669	6
Property Held For Future Use						7
Plant Under Construction	165,954	132,868	334,183	270,029	181,538	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	25,427,670	24,859,521	24,433,880	23,745,842	23,100,207	13
Less Acc. Prov. For Depreciation & Amort.	20,844,630	20,128,627	19,554,560	18,593,642	17,165,819	14
Net Total Utility Plant	\$4,583,040	\$4,730,894	\$4,879,320	\$5,152,200	\$5,934,388	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.16	2.20	1.00	1.64	2.08	16
Total Capitalization	\$10,933,122	\$9,438,079	\$9,760,326	\$10,425,206	\$7,431,751	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	65.57	-138.95	24.97	179.21	34.42	22
Com. Stock Dividends as a % of Earnings		112.5%	146.3%			23
Return on Common Equity	14.5%	27.8%	14.2%	33.5%	22.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	670.9%	591.9%	469.2%	784.8%	-37.7%	25
CWIP as a % of Plant	0.7%	0.5%	1.4%	1.1%	0.8%	26

Current Assets	2,026,038	2,025,079	1,930,944	1,683,997	2,272,417
Current Liabilities	940,014	919,257	1,927,856	1,025,938	1,093,388
Total Capitalization	10,933,122	9,438,079	9,760,326	10,425,206	7,431,751
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	10,933,122	9,438,079	9,760,326	10,425,206	7,431,751
Short-Term Debt					
Pretax Income	2,355,500	4,098,000	2,257,309	4,574,734	2,404,501
Interest Expense	35,921	(29,492)	90,389	25,527	69,850
Common Dividends Paid		3,000,000	2,100,000		
Net Income (Excl. Preferred Stock Dividends)	1,480,545	2,666,886	1,435,115	2,993,454	1,528,623
Internal Cash	3,811,862	2,519,265	3,461,090	4,685,191	(257,195)
Cash Outflows for Construction	(568,150)	(425,639)	(737,730)	(596,969)	(682,751)
CWIP	165,954	132,867	334,183	270,029	181,538
Total Plant	25,427,669	24,859,520	24,433,880	23,745,842	23,100,208
Shares Outstanding	100	100	100	100	100
Number of Employees	9	9	9	9	9

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	892,749	\$1,627,068	\$2,339,430	\$2,266,665	5,165,544	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,514,667	3,059,689	3,034,273	2,654,685	1,997,048	2
Changes in Deferred Income Taxes	272,018	(585,583)	(274,527)	20,371	475,382	3
Changes in Working Capital	(326,757)	499,708	367,498	744,515	11,585,364	4
Capitalized AFDC - Equity						5
Other	161,740	(90,170)	52,148	(28,419)	(1,541,787)	6
Total Non-Cash Items	2,621,668	2,883,644	3,179,391	3,391,152	12,516,007	7
Net Cash Provided From Operating Activities	<u>3,514,417</u>	<u>4,510,711</u>	<u>5,518,822</u>	<u>5,657,817</u>	<u>17,681,551</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(302,450)	(312,504)	(748,198)	(678,216)	(896,214)	9
Purchase of Other Investments	(365,174)	(981,138)	(1,494,397)	(4,978,691)	(16,843,973)	10
Sale of Other Investments						11
Other	(307,123)	(265,422)	(287,630)			12
Net Cash Provided From Investing Activities	<u>(974,747)</u>	<u>(1,559,064)</u>	<u>(2,530,225)</u>	<u>(5,656,907)</u>	<u>(17,740,187)</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	(2,500,000)	(3,000,000)	(3,000,000)			18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(2,500,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>			20
Net Increase (Decrease) in Cash & Equivalents	39,670	(48,353)	(11,404)	910	(58,636)	21
Cash & Equivalents at Beginning of Year	(37,307)	11,046	22,449	21,539	80,175	22
Cash & Equivalents at End of Year	\$2,364	(\$37,307)	\$11,046	\$22,449	\$21,539	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$8,837,853	\$10,193,931	\$12,040,485	\$12,880,069	\$14,849,282
2 Access Lines	9,283	10,821	13,072	15,589	17,707
DOLLAR AMOUNTS					
3 Wages and Benefits	\$996,744	\$1,092,341	\$968,424	\$1,017,653	\$867,753
4 Depreciation and Amortization	2,514,667	3,059,689	3,034,273	3,010,657	1,948,430
5 Other Operations Expense	3,609,484	3,985,527	4,801,441	5,352,438	3,573,322
6 Total Operation Expenses	7,120,894	8,137,558	8,804,138	9,380,748	6,389,504
7 Income Taxes - Operating Taxes	364,203	906,720	1,206,771	1,131,668	2,751,673
8 Other Taxes - Operating Taxes	688,435	587,721	689,201	736,895	724,799
9 Capital Costs	664,321	561,933	1,340,375	1,630,758	4,983,305
10 Total	\$8,837,853	\$10,193,931	\$12,040,485	\$12,880,069	\$14,849,282
PERCENT OF REVENUES					
11 Wages and Benefits	11.3	10.7	8.0	7.9	5.8
12 Depreciation and Amortization	28.5	30.0	25.2	23.4	13.1
13 Other Operations Expense	40.8	39.1	39.9	41.6	24.1
14 Income Taxes - Operating Taxes	4.1	8.9	10.0	8.8	18.5
15 Other Taxes - Operating Taxes	7.8	5.8	5.7	5.7	4.9
16 Capital Costs	7.5	5.5	11.1	12.7	33.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	107.37	100.95	74.08	65.28	49.01
19 Depreciation and Amortization	270.89	282.75	232.12	193.13	110.04
20 Other Operations Expense	388.83	368.31	367.31	343.35	201.80
21 Income Taxes - Operating Taxes	39.23	83.79	92.32	72.59	155.40
22 Other Taxes - Operating Taxes	74.16	54.31	52.72	47.27	40.93
23 Capital Costs	71.56	51.93	102.54	104.61	281.43
24 Total	952.05	942.05	921.09	826.23	838.61

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,423,683	\$2,476,053	\$2,544,426	\$2,501,854	\$2,404,472	1
Central Office Assets	22,550,130	22,417,753	22,245,110	22,121,830	21,846,879	2
Information Origination/Termination	261,720	251,958	240,206	220,234	9,962	3
Cable And Wire Facilities	26,529,575	26,386,635	25,967,488	25,608,782	24,991,609	4
Amortizable Assets					206,313	5
Total Plant In Service	51,765,108	51,532,399	50,997,230	50,452,700	49,459,235	6
Property Held For Future Use		56,888	56,888	56,888	56,888	7
Plant Under Construction	293,855	167,226	389,893	362,330	471,264	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	52,058,963	51,756,513	51,444,011	50,871,918	49,987,387	13
Less Acc. Prov. For Depreciation & Amort.	40,036,826	37,829,281	35,035,016	32,158,656	29,290,897	14
Net Total Utility Plant	\$12,022,137	\$13,927,232	\$16,408,995	\$18,713,262	\$20,696,490	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.42	1.16	1.34	1.48	1.87	16
Total Capitalization	\$23,159,948	\$24,767,199	\$26,140,131	\$26,800,701	\$24,534,037	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	-2.63	-1.38	-2.56	-4.39	-25.11	22
Com. Stock Dividends as a % of Earnings	281.9%	184.6%	128.5%			23
Return on Common Equity	3.7%	6.4%	8.8%	8.8%	23.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1594.9%	1927.9%	969.1%	834.2%	1972.9%	25
CWIP as a % of Plant	0.6%	0.3%	0.8%	0.7%	0.9%	26

Current Assets	1,715,120	2,244,739	3,027,047	2,717,400	3,553,342
Current Liabilities	1,210,275	1,928,364	2,260,011	1,830,544	1,904,434
Total Capitalization	23,159,948	24,767,199	26,140,131	26,800,701	24,534,037
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	23,159,948	24,767,199	26,140,131	26,800,701	24,534,037
Short-Term Debt					
Pretax Income	1,028,544	1,468,346	2,545,048	2,764,465	7,614,002
Interest Expense	(391,696)	(1,063,226)	(995,958)	(629,585)	(303,216)
Common Dividends Paid	2,500,000	3,000,000	3,000,000		
Net Income (Excl. Preferred Stock Dividends)	886,741	1,624,853	2,334,235	2,262,382	5,165,544
Internal Cash	4,823,724	6,024,654	7,250,939	5,657,817	17,681,551
Cash Outflows for Construction	(302,450)	(312,504)	(748,198)	(678,215)	(896,214)
CWIP	293,855	167,226	389,893	362,330	471,264
Total Plant	52,058,963	51,756,513	51,444,011	50,871,918	49,987,387
Shares Outstanding	200	200	200	200	200
Number of Employees	10	11	11	13	14

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$58,480)	\$617,816	(\$35,964)	\$286,329	\$269,870	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	455,213	581,177	570,472	621,117	598,038	2
Changes in Deferred Income Taxes	17,700	(34,925)	(59,039)	(125,130)	(106,889)	3
Changes in Working Capital	27,294	144,267	(236,757)	(52,949)	571,061	4
Capitalized AFDC - Equity						5
Other	(128,210)	(1,115,794)	372,678	(147,473)	(117,924)	6
Total Non-Cash Items	371,997	(425,275)	647,354	295,565	944,286	7
Net Cash Provided From Operating Activities	<u>313,518</u>	<u>192,541</u>	<u>611,390</u>	<u>581,894</u>	<u>1,214,156</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(436,079)	(508,100)	(415,681)	(419,664)	(738,830)	9
Purchase of Other Investments			359,857	(17,449)	(13,880)	10
Sale of Other Investments	5,078	(5,331)	(3,664)	(4,790)	74,351	11
Other	(47,593)	(47,705)	(46,395)	(46,395)	(76,702)	12
Net Cash Provided From Investing Activities	<u>(478,594)</u>	<u>(561,136)</u>	<u>(105,883)</u>	<u>(488,299)</u>	<u>(755,061)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt			(469,359)	(96,279)	(91,615)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(12,000)	(262,000)	(16,427)	(517,193)	(512,653)	18
Other Financing	119,958	(103,275)	(104,473)	90,101	(64,988)	19
Net Cash Provided From Financing Activities	<u>107,958</u>	<u>(365,275)</u>	<u>(590,259)</u>	<u>(523,371)</u>	<u>(669,256)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(57,118)	(733,870)	(84,752)	(429,776)	(210,161)	21
Cash & Equivalents at Beginning of Year	713,039	1,446,909	1,531,661	1,961,437	2,171,598	22
Cash & Equivalents at End of Year	\$655,921	\$713,039	\$1,446,909	\$1,531,661	\$1,961,437	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,609,842	\$2,647,217	\$2,943,156	\$3,210,575	\$3,347,028
2 Access Lines	2,497	2,597	2,684	2,781	2,936
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,200,596	\$1,407,384	\$1,335,145	\$1,502,040	\$1,467,966
4 Depreciation and Amortization	455,215	581,178	573,361	627,781	604,693
5 Other Operations Expense	1,146,626	1,261,903	1,204,948	1,139,504	1,264,408
6 Total Operation Expenses	2,802,438	3,250,465	3,113,454	3,269,325	3,337,067
7 Income Taxes - Operating Taxes	(28,783)	(247,012)	(121,445)	(103,544)	(43,961)
8 Other Taxes - Operating Taxes	122,559	116,216	124,354	129,985	143,130
9 Capital Costs	(286,372)	(472,453)	(173,207)	(85,191)	(89,207)
10 Total	\$2,609,842	\$2,647,217	\$2,943,156	\$3,210,575	\$3,347,028
PERCENT OF REVENUES					
11 Wages and Benefits	46.0	53.2	45.4	46.8	43.9
12 Depreciation and Amortization	17.4	22.0	19.5	19.6	18.1
13 Other Operations Expense	43.9	47.7	40.9	35.5	37.8
14 Income Taxes - Operating Taxes	(1.1)	(9.3)	(4.1)	(3.2)	(1.3)
15 Other Taxes - Operating Taxes	4.7	4.4	4.2	4.0	4.3
16 Capital Costs	(11.0)	(17.8)	(5.9)	(2.7)	(2.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	480.82	541.93	497.45	540.11	499.99
19 Depreciation and Amortization	182.30	223.79	213.62	225.74	205.96
20 Other Operations Expense	459.20	485.91	448.94	409.75	430.66
21 Income Taxes - Operating Taxes	(11.53)	(95.11)	(45.25)	(37.23)	(14.97)
22 Other Taxes - Operating Taxes	49.08	44.75	46.33	46.74	48.75
23 Capital Costs	(114.69)	(181.92)	(64.53)	(30.63)	(30.38)
24 Total	1,045.19	1,019.34	1,096.56	1,154.47	1,140.00

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,795,538	\$1,788,081	\$1,741,133	\$1,676,490	\$1,592,521	1
Central Office Assets	3,408,618	3,361,476	3,521,867	3,611,619	3,333,624	2
Information Origination/Termination	181,672	181,672	181,672	181,672	181,672	3
Cable And Wire Facilities	4,064,176	3,689,358	3,667,970	3,607,308	3,671,748	4
Amortizable Assets	396,059	396,059	376,464	376,464	375,712	5
Total Plant In Service	9,846,062	9,416,646	9,489,106	9,453,553	9,155,276	6
Property Held For Future Use						7
Plant Under Construction	166,786	369,300	102,503	13,887	54,843	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,012,848	9,785,946	9,591,609	9,467,440	9,210,120	13
Less Acc. Prov. For Depreciation & Amort.	7,257,391	7,006,276	6,744,192	6,473,630	6,020,600	14
Net Total Utility Plant	\$2,755,458	\$2,779,670	\$2,847,417	\$2,993,810	\$3,189,520	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.83	4.40	11.48	3.99	4.44	16
Total Capitalization	\$8,782,054	\$8,773,366	\$8,485,711	\$9,076,415	\$9,344,089	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				5.2%	6.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	94.8%	93.9%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-721.01	#DIV/0!	-4.39	8.63	8.98	22
Com. Stock Dividends as a % of Earnings	-20.5%	42.4%	-45.7%	180.6%	190.0%	23
Return on Common Equity	-0.7%	7.2%	-0.4%	3.3%	3.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	71.9%	72.2%	147.1%	138.7%	164.3%	25
CWIP as a % of Plant	1.7%	3.8%	1.1%	0.1%	0.6%	26

Current Assets	1,191,809	1,308,035	2,010,418	2,230,983	2,683,140
Current Liabilities	311,552	297,443	175,057	559,260	603,786
Total Capitalization	8,782,054	8,773,366	8,485,711	9,076,415	9,344,089
Long-Term Debt				469,359	565,638
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,782,054	8,773,366	8,485,711	8,607,056	8,778,451
Short-Term Debt					
Pretax Income	(165,920)	323,881	(98,512)	230,366	281,929
Interest Expense	230		22,445	26,689	31,384
Common Dividends Paid	12,000	262,000	16,427	517,193	512,653
Net Income (Excl. Preferred Stock Dividends)	(58,480)	617,816	(35,964)	286,329	269,870
Internal Cash	313,518	192,541	611,390	581,894	1,214,156
Cash Outflows for Construction	(436,079)	(266,797)	(415,681)	(419,664)	(738,830)
CWIP	166,786	369,300	102,503	13,887	54,843
Total Plant	10,012,848	9,785,946	9,591,609	9,467,440	9,210,120
Shares Outstanding	800	800	800	800	800
Number of Employees	15	14	17	19	19

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$99,741)	(\$93,730)	(\$110,572)	(\$112,416)	\$116,735	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	292,721	300,995	299,073	289,497	255,778	2
Changes in Deferred Income Taxes	(71,278)	(56,104)	(20,295)	(57,369)	(23,741)	3
Changes in Working Capital	(322,585)	230,718	(53,838)	(83,667)	171,511	4
Capitalized AFDC - Equity						5
Other	8,999	(39,035)	(34,950)	(123,002)	(43,676)	6
Total Non-Cash Items	(92,143)	436,574	189,990	25,459	359,872	7
Net Cash Provided From Operating Activities	<u>(191,884)</u>	<u>342,844</u>	<u>79,418</u>	<u>(86,957)</u>	<u>476,607</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(101,256)	(400,237)	(121,467)	(241,741)	(525,570)	9
Purchase of Other Investments						10
Sale of Other Investments		(40)	60,840	1,257,806	1,484	11
Other	(100,993)	(80,273)	(78,211)	474,562	(105,344)	12
Net Cash Provided From Investing Activities	<u>(202,249)</u>	<u>(480,550)</u>	<u>(138,838)</u>	<u>1,490,627</u>	<u>(629,430)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(130,484)	(121,592)	(113,340)	(105,654)	(98,516)	14
Common Stock				(950,752)		15
Preferred Stock						16
Short-Term Debt	410,000					17
Dividends Paid		(17,460)	(17,460)	(240,000)	(24,000)	18
Other Financing	121,512	204,784	134,083	93,973	200,788	19
Net Cash Provided From Financing Activities	<u>401,028</u>	<u>65,732</u>	<u>3,283</u>	<u>(1,486,083)</u>	<u>90,923</u>	20
Net Increase (Decrease) in Cash & Equivalents	6,895	(71,974)	(56,137)	(82,413)	(61,900)	21
Cash & Equivalents at Beginning of Year	148,155	220,129	276,266	358,679	420,579	22
Cash & Equivalents at End of Year	\$155,050	\$148,155	\$220,129	\$276,266	\$358,679	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$1,809,792	\$1,895,944	\$1,895,494	\$2,007,650	\$1,973,340
2 Access Lines	1,567	1,648	1,732	1,754	1,787
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,068,340	\$1,134,478	\$1,096,493	\$1,049,176	\$999,905
4 Depreciation and Amortization	281,275	299,759	297,837	288,261	254,542
5 Other Operations Expense	536,014	599,315	614,332	676,334	530,336
6 Total Operation Expenses	1,885,629	2,033,552	2,008,662	2,013,771	1,784,783
7 Income Taxes - Operating Taxes	(74,185)	(91,111)	(65,410)	(32,185)	1,314
8 Other Taxes - Operating Taxes	90,236	92,804	89,365	91,105	91,674
9 Capital Costs	(91,888)	(139,301)	(137,123)	(65,041)	95,569
10 Total	\$1,809,792	\$1,895,944	\$1,895,494	\$2,007,650	\$1,973,340
PERCENT OF REVENUES					
11 Wages and Benefits	59.0	59.8	57.8	52.3	50.7
12 Depreciation and Amortization	15.5	15.8	15.7	14.4	12.9
13 Other Operations Expense	29.6	31.6	32.4	33.7	26.9
14 Income Taxes - Operating Taxes	(4.1)	(4.8)	(3.5)	(1.6)	0.1
15 Other Taxes - Operating Taxes	5.0	4.9	4.7	4.5	4.6
16 Capital Costs	(5.1)	(7.3)	(7.2)	(3.2)	4.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	681.77	688.40	633.08	598.16	559.54
19 Depreciation and Amortization	179.50	181.89	171.96	164.34	142.44
20 Other Operations Expense	342.06	363.66	354.70	385.60	296.77
21 Income Taxes - Operating Taxes	(47.34)	(55.29)	(37.77)	(18.35)	0.74
22 Other Taxes - Operating Taxes	57.59	56.31	51.60	51.94	51.30
23 Capital Costs	(58.64)	(84.53)	(79.17)	(37.08)	53.48
24 Total	1,154.94	1,150.45	1,094.40	1,144.61	1,104.28

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,614,722	\$1,613,195	\$1,612,517	\$1,582,652	\$1,388,673	1
Central Office Assets	1,385,204	1,533,953	1,507,076	1,487,125	1,465,920	2
Information Origination/Termination	63,377	63,402	63,443	63,615	63,640	3
Cable And Wire Facilities	2,100,997	2,094,220	2,079,925	2,076,109	2,007,516	4
Amortizable Assets						5
Total Plant In Service	5,164,300	5,304,770	5,262,961	5,209,501	4,925,749	6
Property Held For Future Use						7
Plant Under Construction		357,589			162,047	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	5,236,759	5,734,818	5,335,420	5,281,960	5,160,255	13
Less Acc. Prov. For Depreciation & Amort.	3,629,725	3,937,556	3,638,676	3,348,004	3,180,437	14
Net Total Utility Plant	\$1,607,034	\$1,797,262	\$1,696,744	\$1,933,956	\$1,979,818	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.12	1.21	1.93	1.98	2.67	16
Total Capitalization	\$2,763,082	\$2,583,307	\$2,816,089	\$3,057,461	\$4,466,283	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	2.9%	7.9%	11.9%	14.9%	12.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	77.8%	87.1%	83.8%	81.4%	84.9%	20
Short-Term Debt	19.3%	5.0%	4.3%	3.7%	2.4%	21
Pretax Coverage of Interest Expense	-4.78	-5.35	-3.57	2.36	3.50	22
Com. Stock Dividends as a % of Earnings		-18.6%	-15.8%	-213.5%	20.6%	23
Return on Common Equity	-4.5%	-4.1%	-4.6%	-3.6%	3.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-189.5%	85.7%	65.4%	-36.0%	90.7%	25
CWIP as a % of Plant		6.2%			3.1%	26

Current Assets	1,504,192	1,413,035	1,395,445	1,439,179	1,868,599
Current Liabilities	1,348,213	1,171,001	722,357	727,107	700,452
Total Capitalization	2,763,082	2,583,307	2,816,089	3,057,461	4,466,283
Long-Term Debt	80,751	203,867	334,337	455,937	569,283
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,149,452	2,249,193	2,360,383	2,488,415	3,791,583
Short-Term Debt	532,879	130,247	121,369	113,109	105,417
Pretax Income	(145,765)	(156,079)	(133,852)	106,706	183,570
Interest Expense	30,506	29,180	37,460	45,173	52,521
Common Dividends Paid		17,460	17,460	240,000	24,000
Net Income (Excl. Preferred Stock Dividends)	(99,741)	(93,730)	(110,572)	(112,416)	116,735
Internal Cash	(191,884)	342,843	79,418	(86,957)	476,607
Cash Outflows for Construction	(101,256)	(400,237)	(121,467)	(241,741)	(525,570)
CWIP		357,589			162,047
Total Plant	5,236,759	5,734,818	5,335,420	5,281,960	5,160,255
Shares Outstanding	873	873	873	873	1,200
Number of Employees	10	10	10	10	11

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$118,781	\$742,811	\$173,614	\$355,269	\$319,504	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	431,047	475,698	518,841	543,378	562,646	2
Changes in Deferred Income Taxes	1,848	45,469	(117,206)	143,635	(71,989)	3
Changes in Working Capital	(239,722)	(152,691)	(210,719)	728,693	(747)	4
Capitalized AFDC - Equity						5
Other	(47,111)	(719,272)	(165,001)	(817,480)	(162,667)	6
Total Non-Cash Items	146,062	(350,796)	25,915	598,226	327,243	7
Net Cash Provided From Operating Activities	<u>264,843</u>	<u>392,015</u>	<u>199,529</u>	<u>953,495</u>	<u>646,747</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(260,931)	(389,633)	(431,664)	(663,367)	(286,127)	9
Purchase of Other Investments	227,080	14,077	3,998	(122,255)	75,365	10
Sale of Other Investments	(1,284)	1,248	(3,646)	817,353	(359)	11
Other						12
Net Cash Provided From Investing Activities	<u>(35,135)</u>	<u>(374,308)</u>	<u>(431,312)</u>	<u>31,731</u>	<u>(211,121)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(81,127)	(77,571)	(73,831)	(70,241)	(66,853)	14
Common Stock	(300,000)					15
Preferred Stock						16
Short-Term Debt				(375,000)		17
Dividends Paid		(227,500)	(227,500)	(227,500)	(227,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(381,127)</u>	<u>(305,071)</u>	<u>(301,331)</u>	<u>(672,741)</u>	<u>(294,353)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(151,419)	(287,364)	(533,114)	312,485	141,273	21
Cash & Equivalents at Beginning of Year	647,986	935,351	1,468,465	1,155,980	1,014,707	22
Cash & Equivalents at End of Year	\$496,567	\$647,986	\$935,351	\$1,468,465	\$1,155,980	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,406,946	\$2,482,030	\$2,687,746	\$2,671,498	\$2,834,684
2 Access Lines	3,608	3,882	4,184	4,375	4,422
DOLLAR AMOUNTS					
3 Wages and Benefits	\$976,910	\$1,084,003	\$1,196,534	\$1,099,683	\$1,048,014
4 Depreciation and Amortization	420,705	473,546	518,328	542,864	562,132
5 Other Operations Expense	893,603	945,806	792,164	853,896	847,126
6 Total Operation Expenses	2,291,218	2,503,355	2,507,026	2,496,443	2,457,272
7 Income Taxes - Operating Taxes	(2,874)	(56,577)	25,134	9,126	67,710
8 Other Taxes - Operating Taxes	122,649	138,587	156,555	142,930	142,555
9 Capital Costs	(4,047)	(103,335)	(969)	22,999	167,147
10 Total	\$2,406,946	\$2,482,030	\$2,687,746	\$2,671,498	\$2,834,684
PERCENT OF REVENUES					
11 Wages and Benefits	40.6	43.7	44.5	41.2	37.0
12 Depreciation and Amortization	17.5	19.1	19.3	20.3	19.8
13 Other Operations Expense	37.1	38.1	29.5	32.0	29.9
14 Income Taxes - Operating Taxes	(0.1)	(2.3)	0.9	0.3	2.4
15 Other Taxes - Operating Taxes	5.1	5.6	5.8	5.4	5.0
16 Capital Costs	(0.2)	(4.2)	(0.0)	0.9	5.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	270.76	279.24	285.98	251.36	237.00
19 Depreciation and Amortization	116.60	121.99	123.88	124.08	127.12
20 Other Operations Expense	247.67	243.64	189.33	195.18	191.57
21 Income Taxes - Operating Taxes	(0.80)	(14.57)	6.01	2.09	15.31
22 Other Taxes - Operating Taxes	33.99	35.70	37.42	32.67	32.24
23 Capital Costs	(1.12)	(26.62)	(0.23)	5.26	37.80
24 Total	667.11	639.37	642.39	610.63	641.04

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,929,633	\$1,944,720	\$1,949,099	\$1,885,685	1,474,283	1
Central Office Assets	4,401,627	4,323,903	4,290,194	4,228,078	4,065,407	2
Information Origination/Termination	145,154	145,154	145,154	145,154	145,154	3
Cable And Wire Facilities	5,725,023	5,630,842	5,213,493	5,147,845	5,040,266	4
Amortizable Assets	290	290	290	290	290	5
Total Plant In Service	12,201,727	12,044,909	11,598,230	11,407,052	10,725,400	6
Property Held For Future Use						7
Plant Under Construction		2,019	183,915	1,009	51,484	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,201,727	12,046,928	11,782,145	11,408,061	10,776,884	13
Less Acc. Prov. For Depreciation & Amort.	9,649,813	9,326,696	8,967,713	8,509,735	7,998,703	14
Net Total Utility Plant	\$2,551,914	\$2,720,232	\$2,814,432	\$2,898,326	\$2,778,181	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.02	2.77	3.11	3.07	2.83	16
Total Capitalization	\$7,331,044	\$7,593,030	\$7,166,619	\$7,291,853	\$7,748,127	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	2.2%	3.2%	4.4%	5.4%	6.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	97.8%	96.8%	95.6%	94.6%	89.2%	20
Short-Term Debt					4.8%	21
Pretax Coverage of Interest Expense	17.71	41.02	7.03	25.73	15.95	22
Com. Stock Dividends as a % of Earnings	252.6%	30.6%	131.0%	64.0%	71.2%	23
Return on Common Equity	1.6%	10.5%	2.5%	5.1%	4.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	101.5%	100.6%	46.2%	143.7%	226.0%	25
CWIP as a % of Plant		0.0%	1.6%	0.0%	0.5%	26

Current Assets	1,191,852	1,481,825	1,552,394	2,052,968	2,199,972
Current Liabilities	169,796	534,012	499,698	669,255	776,922
Total Capitalization	7,331,044	7,593,030	7,166,619	7,291,853	7,748,127
Long-Term Debt	160,153	241,280	318,851	392,682	462,923
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,170,891	7,351,750	6,847,768	6,899,171	6,910,204
Short-Term Debt					375,000
Pretax Income	122,160	705,949	250,524	559,538	402,523
Interest Expense	6,899	17,208	35,660	21,745	25,231
Common Dividends Paid	300,000	227,500	227,500	227,500	227,500
Net Income (Excl. Preferred Stock Dividends)	118,781	742,811	173,614	355,269	319,504
Internal Cash	264,842	392,015	199,529	953,495	646,747
Cash Outflows for Construction	(260,931)	(389,633)	(431,664)	(663,367)	(286,127)
CWIP		2,019	183,915	1,009	51,484
Total Plant	12,201,727	12,046,928	11,782,145	11,408,061	10,776,884
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	17	17	21	21	21

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$112,647)	(\$142,570)	\$174,466	(\$65,301)	\$21,063	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	867,453	920,907	1,550,327	1,496,254	1,378,289	2
Changes in Deferred Income Taxes	92,856	164,187	(253,905)	537,886	(194,527)	3
Changes in Working Capital	27,519	(275,789)	(781,040)	607,615	51,588	4
Capitalized AFDC - Equity						5
Other	104,762	42,649	223,405	(1,385,668)	75,313	6
Total Non-Cash Items	1,092,590	851,954	738,787	1,256,087	1,310,663	7
Net Cash Provided From Operating Activities	<u>979,943</u>	<u>709,384</u>	<u>913,253</u>	<u>1,190,786</u>	<u>1,331,726</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,126,897)	(775,500)	(994,661)	(1,043,702)	(1,000,268)	9
Purchase of Other Investments			(300,000)	(375,000)		10
Sale of Other Investments	5,123	4,816	81,557	1,970,182	647,351	11
Other						12
Net Cash Provided From Investing Activities	<u>(1,121,774)</u>	<u>(770,684)</u>	<u>(1,213,104)</u>	<u>551,480</u>	<u>(352,917)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(284,866)	(271,148)	(256,627)	(242,881)	(229,837)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(98,600)	(98,600)	(98,600)	(98,600)	(105,825)	18
Other Financing				(285,714)	(554,622)	19
Net Cash Provided From Financing Activities	<u>(383,466)</u>	<u>(369,748)</u>	<u>(355,227)</u>	<u>(627,195)</u>	<u>(890,284)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(525,297)	(431,048)	(655,078)	1,115,071	88,525	21
Cash & Equivalents at Beginning of Year	2,111,275	2,542,323	3,197,401	2,082,330	1,993,805	22
Cash & Equivalents at End of Year	\$1,585,978	\$2,111,275	\$2,542,323	\$3,197,401	\$2,082,330	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$4,569,064	\$4,670,397	\$5,716,151	\$5,081,086	\$5,208,364
2 Access Lines	6,038	6,376	6,778	7,094	7,234
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,114,856	\$2,101,875	\$2,100,032	\$2,210,423	\$2,140,236
4 Depreciation and Amortization	841,381	920,907	1,550,327	1,496,254	1,378,289
5 Other Operations Expense	1,017,626	1,064,024	1,002,375	966,517	971,184
6 Total Operation Expenses	3,973,863	4,086,806	4,652,734	4,673,194	4,489,709
7 Income Taxes - Operating Taxes	73,993	56,570	148,226	(443,215)	90,935
8 Other Taxes - Operating Taxes	310,325	319,357	325,835	387,838	326,038
9 Capital Costs	210,883	207,664	589,356	463,269	301,682
10 Total	\$4,569,064	\$4,670,397	\$5,716,151	\$5,081,086	\$5,208,364
PERCENT OF REVENUES					
11 Wages and Benefits	46.3	45.0	36.7	43.5	41.1
12 Depreciation and Amortization	18.4	19.7	27.1	29.4	26.5
13 Other Operations Expense	22.3	22.8	17.5	19.0	18.6
14 Income Taxes - Operating Taxes	1.6	1.2	2.6	(8.7)	1.7
15 Other Taxes - Operating Taxes	6.8	6.8	5.7	7.6	6.3
16 Capital Costs	4.6	4.4	10.3	9.1	5.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	350.26	329.65	309.83	311.59	295.86
19 Depreciation and Amortization	139.35	144.43	228.73	210.92	190.53
20 Other Operations Expense	168.54	166.88	147.89	136.24	134.25
21 Income Taxes - Operating Taxes	12.25	8.87	21.87	(62.48)	12.57
22 Other Taxes - Operating Taxes	51.40	50.09	48.07	54.67	45.07
23 Capital Costs	34.93	32.57	86.95	65.30	41.70
24 Total	756.72	732.50	843.34	716.25	719.98

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,455,598	\$3,385,012	\$3,135,067	\$3,036,643	\$3,074,029	1
Central Office Assets	7,144,469	6,928,713	6,653,180	6,862,705	6,162,216	2
Information Origination/Termination	67,832	69,264	70,966	73,454	291,707	3
Cable And Wire Facilities	11,050,186	10,864,426	10,583,427	10,259,077	10,005,352	4
Amortizable Assets						5
Total Plant In Service	21,718,085	21,247,415	20,442,640	20,231,879	19,533,304	6
Property Held For Future Use						7
Plant Under Construction	467,618	53,970	246,046	176,779	224,906	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	22,185,653	21,301,335	20,688,636	20,408,608	19,758,160	13
Less Acc. Prov. For Depreciation & Amort.	17,136,424	16,510,528	15,751,168	14,810,807	13,735,668	14
Net Total Utility Plant	\$5,049,229	\$4,790,807	\$4,937,468	\$5,597,801	\$6,022,492	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	10.20	18.66	12.44	4.33	10.21	16
Total Capitalization	\$9,573,691	\$10,069,804	\$10,582,122	\$10,762,883	\$11,455,379	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	12.5%	14.7%	16.6%	18.7%	19.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	87.5%	85.3%	83.4%	81.3%	80.3%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.20	0.19	3.10	1.42	1.37	22
Com. Stock Dividends as a % of Earnings	-87.5%	-69.2%	56.5%	-151.0%	502.4%	23
Return on Common Equity	-1.3%	-1.6%	2.0%	-0.7%	0.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	87.0%	91.5%	91.8%	114.1%	133.1%	25
CWIP as a % of Plant	2.1%	0.3%	1.2%	0.9%	1.1%	26

Current Assets	2,933,408	3,414,352	3,699,444	4,239,915	3,047,948
Current Liabilities	287,627	182,964	297,435	979,110	298,434
Total Capitalization	9,573,691	10,069,804	10,582,122	10,762,883	11,455,379
Long-Term Debt	1,199,096	1,483,962	1,755,110	2,011,737	2,254,618
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,374,595	8,585,842	8,827,012	8,751,146	9,200,761
Short-Term Debt					
Pretax Income	22,254	33,275	471,730	201,702	212,750
Interest Expense	111,893	171,965	152,131	142,378	155,509
Common Dividends Paid	98,600	98,600	98,600	98,600	105,825
Net Income (Excl. Preferred Stock Dividends)	(112,647)	(142,570)	174,466	(65,301)	21,063
Internal Cash	979,943	709,384	913,254	1,190,786	1,331,726
Cash Outflows for Construction	(1,126,897)	(775,500)	(994,661)	(1,043,702)	(1,000,268)
CWIP	467,618	53,970	246,046	176,779	224,906
Total Plant	22,185,653	21,301,335	20,688,636	20,408,608	19,758,160
Shares Outstanding	580	580	580	580	597
Number of Employees	35	36	36	39	37

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$591,174,690)	(\$860,599,054)	(\$911,515,356)	(\$818,803,311)	(\$424,932,985)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,229,000,198	1,333,465,921	1,404,258,778	1,526,072,099	1,651,688,532	2
Changes in Deferred Income Taxes	125,181,991	(181,696,747)	(244,036,543)	(89,796,242)	(178,625,436)	3
Changes in Working Capital	(108,720,527)	(287,495,633)	28,061,187	(330,229,479)	(579,475,196)	4
Capitalized AFDC - Equity						5
Other	219,939,052	419,042,839	553,732,375	259,887,158	296,457,855	6
Total Non-Cash Items	1,465,400,714	1,283,316,379	1,742,015,797	1,365,933,536	1,190,045,755	7
Net Cash Provided From Operating Activities	<u>874,226,024</u>	<u>422,717,325</u>	<u>830,500,441</u>	<u>547,130,225</u>	<u>765,112,771</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,304,557,987)	(1,369,455,620)	(1,328,229,759)	(1,340,333,601)	(1,345,488,987)	9
Purchase of Other Investments	(2,877,094)	1,383,730	(26,361,051)	(6,795,438)	6,795,438	10
Sale of Other Investments	53,638,000	(55,269,478)	75,476,889	(95,574,447)	183,788,019	11
Other	(79,173,000)					12
Net Cash Provided From Investing Activities	<u>(1,332,970,081)</u>	<u>(1,423,341,368)</u>	<u>(1,279,113,921)</u>	<u>(1,442,703,486)</u>	<u>(1,154,905,530)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(250,000,000)		(1,038,778)	(197,811,528)	14
Common Stock		6,938				15
Preferred Stock						16
Short-Term Debt	451,691,329	785,343,805	(1,562,357,241)	907,673,006	64,318,315	17
Dividends Paid						18
Other Financing	7,052,729	465,273,302	2,010,968,085	(11,095,065)	523,261,969	19
	(972,214)	(466,443,444)	(15,435,587)	(2,049,927)	38,221,372	
Net Cash Provided From Financing Activities	<u>457,771,844</u>	<u>534,180,601</u>	<u>433,175,257</u>	<u>893,489,236</u>	<u>427,990,128</u>	20
Net Increase (Decrease) in Cash & Equivalents	(972,213)	(466,443,441)	(15,438,222)	(2,084,025)	38,197,369	21
Cash & Equivalents at Beginning of Year	1,231,034	467,674,475	483,112,697	485,196,722	446,999,353	22
Cash & Equivalents at End of Year	\$258,820	\$1,231,034	\$467,674,475	\$483,112,697	\$485,196,722	23

**New York Telephone Company
Distribution of Telephone Revenues
Years ended December 31,**

	2009	2008	2007	2006	2005
1 Revenues	\$5,175,956,679	\$5,453,306,123	\$5,446,265,183	\$5,845,018,008	\$6,235,093,862
2 Access Lines	5,277,272	5,992,778	6,801,105	7,585,762	8,541,221
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,936,291,598	\$2,904,729,672	\$3,355,944,666	\$3,417,769,417	\$3,384,064,802
4 Depreciation and Amortization	1,229,000,198	1,333,465,921	1,404,258,778	1,526,072,772	1,651,688,532
5 Other Operations Expense	2,127,242,426	1,974,468,596	1,752,622,955	1,688,534,298	1,642,095,902
6 Total Operation Expenses	6,292,534,222	6,212,664,189	6,512,826,400	6,632,376,487	6,677,849,236
7 Income Taxes - Operating Taxes	(677,380,007)	(541,454,956)	(532,448,533)	(454,528,305)	(278,188,181)
8 Other Taxes - Operating Taxes	450,691,662	466,543,046	481,126,927	524,368,813	506,345,895
9 Capital Costs	(889,889,198)	(684,446,156)	(1,015,239,610)	(857,198,986)	(670,913,088)
10 Total	\$5,175,956,679	\$5,453,306,123	\$5,446,265,183	\$5,845,018,008	\$6,235,093,862
PERCENT OF REVENUES					
11 Wages and Benefits	56.7	53.3	61.6	58.5	54.3
12 Depreciation and Amortization	23.7	24.5	25.8	26.1	26.5
13 Other Operations Expense	41.1	36.2	32.2	28.9	26.3
14 Income Taxes - Operating Taxes	(13.1)	(9.9)	(9.8)	(7.8)	(4.5)
15 Other Taxes - Operating Taxes	8.7	8.6	8.8	9.0	8.1
16 Capital Costs	(17.2)	(12.6)	(18.6)	(14.7)	(10.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	556.40	484.71	493.44	450.55	396.20
19 Depreciation and Amortization	232.89	222.51	206.48	201.18	193.38
20 Other Operations Expense	403.10	329.47	257.70	222.59	192.26
21 Income Taxes - Operating Taxes	(128.36)	(90.35)	(78.29)	(59.92)	(32.57)
22 Other Taxes - Operating Taxes	85.40	77.85	70.74	69.13	59.28
23 Capital Costs	(168.63)	(114.21)	(149.28)	(113.00)	(78.55)
24 Total	980.80	909.98	800.79	770.52	730.00

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.

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,457,685,558	\$3,493,101,498	\$3,455,344,153	\$3,614,141,113	\$3,636,604,116	1
Central Office Assets	11,634,028,203	11,544,489,127	11,732,866,459	12,203,683,512	12,420,794,347	2
Information Origination/Termination	326,827,625	376,661,037	441,041,359	467,923,570	472,256,673	3
Cable And Wire Facilities	15,358,946,511	14,606,858,045	13,814,431,763	12,987,726,754	12,375,207,537	4
Amortizable Assets	311,500,828	321,423,702	386,716,275	535,079,061	602,404,225	5
Total Plant In Service	31,088,988,725	30,342,533,410	29,830,400,009	29,808,554,010	29,507,266,898	6
Property Held For Future Use		1,757,345		1,856,610	1,856,610	7
Plant Under Construction	216,957,298	181,377,665	235,450,947	373,710,957	267,252,854	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	13,007,288	16,435,541	18,717,183	27,171,406	37,618,833	11
Goodwill						12
Total Telecommunications Plant	31,318,953,310	30,542,103,962	30,084,568,139	30,211,292,983	29,813,995,195	13
Less Acc. Prov. For Depreciation & Amort.	20,840,004,083	20,202,690,440	19,735,045,854	19,706,082,848	19,156,188,554	14
Net Total Utility Plant	\$10,478,949,227	\$10,339,413,522	\$10,349,522,285	\$10,505,210,134	\$10,657,806,641	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.22	0.34	0.43	0.34	0.40	16
Total Capitalization	\$6,723,324,529	\$6,703,395,963	\$7,030,850,843	\$7,470,658,523	\$6,983,681,264	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	33.5%	39.5%	37.7%	38.8%	41.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	11.5%	18.0%	29.4%	12.6%	19.5%	20
Short-Term Debt	55.1%	42.5%	32.9%	48.6%	38.9%	21
Pretax Coverage of Interest Expense	-3.27	-3.73	-3.79	-2.85	-1.64	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-59.9%	-52.7%	-82.4%	-91.3%	-53.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	67.0%	30.9%	62.5%	40.8%	56.9%	25
CWIP as a % of Plant	0.7%	0.6%	0.8%	1.2%	0.9%	26

Current Assets	1,061,263,345	1,467,431,405	1,680,677,520	1,792,344,737	1,870,378,308
Current Liabilities	4,806,996,212	4,363,676,084	3,948,883,272	5,245,892,135	4,621,908,718
Total Capitalization	6,723,324,529	6,703,395,963	7,030,850,843	7,470,658,523	6,983,681,264
Long-Term Debt	2,251,102,617	2,649,688,104	2,651,160,078	2,900,371,877	2,899,241,490
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	770,630,761	1,203,798,402	2,064,589,184	942,958,806	1,364,596,316
Short-Term Debt	3,701,591,151	2,849,909,457	2,315,101,582	3,627,327,840	2,719,843,459
Pretax Income	(962,842,087)	(1,101,597,409)	(1,397,068,859)	(1,107,866,656)	(572,457,695)
Interest Expense	294,758,451	295,536,035	368,219,306	388,495,098	349,108,809
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(591,174,690)	(860,599,054)	(1,239,620,202)	(1,053,576,799)	(664,751,534)
Internal Cash	874,226,024	422,717,325	830,500,441	547,130,225	765,112,771
Cash Outflows for Construction	(1,304,557,987)	(1,369,455,620)	(1,328,229,759)	(1,340,333,601)	(1,345,488,987)
CWIP	216,957,298	181,377,665	235,450,947	373,710,957	267,252,854
Total Plant	31,318,953,310	30,542,103,962	30,084,568,139	30,211,292,983	29,813,995,195
Shares Outstanding	1	1	1	1	1
Number of Employees	19,673	20,548	22,562	24,461	25,694

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$331,421)	\$368,490	\$169,739	\$176,587	(\$767,067)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	591,808	612,513	584,293	540,696	526,249	2
Changes in Deferred Income Taxes	(29,970)	227,896	(302,369)	(559,147)	(37,442)	3
Changes in Working Capital	(452,405)	(61,510)	227,368	203,280	86,027	4
Capitalized AFDC - Equity						5
Other	(197,966)	(784,097)	(89,467)	(462,253)	764,825	6
Total Non-Cash Items	(88,533)	(5,198)	419,825	(277,424)	1,339,659	7
Net Cash Provided From Operating Activities	<u>(419,954)</u>	<u>363,292</u>	<u>589,564</u>	<u>(100,837)</u>	<u>572,592</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(185,359)	(432,320)	(373,590)	(480,565)	(267,173)	9
Purchase of Other Investments	(274,465)	(1,585,789)	(269,628)	(1,174,331)	(50,675)	10
Sale of Other Investments	953,389	1,484,383	458,908	1,915,887	2,469	11
Other			1,700,000			12
Net Cash Provided From Investing Activities	<u>493,565</u>	<u>(533,726)</u>	<u>1,515,690</u>	<u>260,991</u>	<u>(315,379)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(37,551)	(35,597)	(146,774)	(139,638)	(133,775)	14
Common Stock						15
Preferred Stock					(85,500)	16
Short-Term Debt						17
Dividends Paid			(1,700,000)		(2,400)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(37,551)</u>	<u>(35,597)</u>	<u>(1,846,774)</u>	<u>(139,638)</u>	<u>(221,675)</u>	20
Net Increase (Decrease) in Cash & Equivalents	36,060	(206,031)	258,480	20,516	35,538	21
Cash & Equivalents at Beginning of Year	159,518	365,549	107,069	86,553	51,015	22
Cash & Equivalents at End of Year	\$195,578	\$159,518	\$365,549	\$107,069	\$86,553	23

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

	2009	2008	2007	2006	2005
1 Revenues	2,524,657	\$2,922,394	\$2,877,436	\$2,735,299	\$2,935,476
2 Access Lines	3,147	3,267	3,424	3,527	3,618
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,493,698	\$1,485,758	\$1,458,840	\$1,429,756	\$1,451,018
4 Depreciation and Amortization	563,765	588,068	583,106	539,509	525,062
5 Other Operations Expense	784,829	380,355	805,562	888,095	853,919
6 Total Operation Expenses	2,842,292	2,454,181	2,847,508	2,857,360	2,829,999
7 Income Taxes - Operating Taxes	(211,335)	43,995	(91,389)	(134,760)	(59,713)
8 Other Taxes - Operating Taxes	174,985	172,104	197,290	234,877	186,040
9 Capital Costs	(281,285)	252,114	(75,973)	(222,178)	(\$20,850)
10 Total	\$2,524,657	\$2,922,394	\$2,877,436	\$2,735,299	\$2,935,476
PERCENT OF REVENUES					
11 Wages and Benefits	59.2	50.8	50.7	52.3	49.4
12 Depreciation and Amortization	22.3	20.1	20.3	19.7	17.9
13 Other Operations Expense	31.1	13.0	28.0	32.5	29.1
14 Income Taxes - Operating Taxes	(8.4)	1.5	(3.2)	(4.9)	(2.0)
15 Other Taxes - Operating Taxes	6.9	5.9	6.9	8.6	6.3
16 Capital Costs	(11.1)	8.6	(2.6)	(8.1)	(0.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	474.64	454.78	426.06	405.37	401.06
19 Depreciation and Amortization	179.14	180.00	170.30	152.97	145.12
20 Other Operations Expense	249.39	116.42	235.27	251.80	236.02
21 Income Taxes - Operating Taxes	(67.15)	13.47	(26.69)	(38.21)	(16.50)
22 Other Taxes - Operating Taxes	55.60	52.68	57.62	66.59	51.42
23 Capital Costs	(89.38)	77.17	(22.19)	(62.99)	(5.76)
24 Total	802.24	894.52	840.37	775.53	811.35

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,680,058	\$2,680,058	\$2,668,041	\$2,682,246	\$2,633,983	1
Central Office Assets	3,120,567	2,978,869	3,037,118	2,930,585	2,674,982	2
Information Origination/Termination	85,061	86,816	87,408	88,440	88,930	3
Cable And Wire Facilities	5,237,149	5,171,167	4,877,137	4,785,771	4,674,327	4
Amortizable Assets	45	45	45	45	45	5
Total Plant In Service	11,122,880	10,916,955	10,669,749	10,487,087	10,072,267	6
Property Held For Future Use						7
Plant Under Construction	30,436	70,137	237,143	104,782	175,995	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,153,316	10,987,092	10,906,892	10,591,869	10,248,262	13
Less Acc. Prov. For Depreciation & Amort.	8,101,865	7,533,546	7,268,678	6,719,462	6,316,284	14
Net Total Utility Plant	\$3,051,451	\$3,453,546	\$3,638,214	\$3,872,407	\$3,931,978	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-9.97	0.92	1.41	1.48	3.13	16
Total Capitalization	\$4,533,378	\$4,945,639	\$4,895,312	\$6,559,523	\$6,480,828	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.8%	17.0%	17.9%	15.6%	18.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	82.2%	83.0%	82.1%	84.4%	82.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-7.69	5.27	1.89	3.38	-8.94	22
Com. Stock Dividends as a % of Earnings			1001.5%			23
Return on Common Equity	-8.5%	9.1%	3.6%	3.3%	-13.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-226.6%	84.0%	157.8%	-21.0%	214.3%	25
CWIP as a % of Plant	0.3%	0.6%	2.2%	1.0%	1.7%	26

Current Assets	550,811	527,331	760,370	543,476	520,598
Current Liabilities	(55,241)	571,502	538,561	368,096	166,118
Total Capitalization	4,533,378	4,945,639	4,895,312	6,559,523	6,480,828
Long-Term Debt	805,387	842,938	878,535	1,025,309	1,164,947
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,727,991	4,102,701	4,016,777	5,534,214	5,315,881
Short-Term Debt					
Pretax Income	(498,391)	448,547	193,729	312,856	(737,236)
Interest Expense	64,847	85,150	102,271	92,597	82,464
Common Dividends Paid			1,700,000		
Net Income (Excl. Preferred Stock Dividends)	(331,421)	368,490	169,739	176,587	(769,467)
Internal Cash	(419,954)	363,292	589,564	(100,837)	572,592
Cash Outflows for Construction	(185,359)	(432,320)	(373,590)	(480,565)	(267,173)
CWIP	30,436	70,137	237,143	104,782	175,995
Total Plant	11,153,316	10,987,092	10,906,892	10,591,869	10,248,262
Shares Outstanding	23	23	23	23	23
Number of Employees	20	23	23	23	24

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$227,115)	(\$121,323)	(\$528,063)	\$10,909	\$208,620	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	299,350	445,273	532,424	467,305	539,323	2
Changes in Deferred Income Taxes	(291,898)	1,963	9,313	(233,602)	(44,318)	3
Changes in Working Capital	845,153	(9,423)	95,027	(107,705)	29,862	4
Capitalized AFDC - Equity						5
Other	15,410	(187,623)	139,899	(83,674)	347,419	6
Total Non-Cash Items	868,015	250,190	776,663	42,324	872,286	7
Net Cash Provided From Operating Activities	<u>640,900</u>	<u>128,867</u>	<u>248,600</u>	<u>53,233</u>	<u>1,080,906</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(49,231)	(348,421)	(334,523)	(315,150)	(204,942)	9
Purchase of Other Investments	(588,362)	63,916	(73,422)	(111,835)	(7,695)	10
Sale of Other Investments			(2,502)	1,152,044	333,936	11
Other						12
Net Cash Provided From Investing Activities	<u>(637,593)</u>	<u>(284,505)</u>	<u>(410,447)</u>	<u>725,059</u>	<u>121,299</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(226,692)	(212,970)	(200,221)	(188,288)	(177,136)	14
Common Stock						15
Preferred Stock			(13,324)	77,436		16
Short-Term Debt	(10,134)	(26,774)	(8,067)	(8,225)	(118,000)	17
Dividends Paid	(8,067)	(8,067)		3,092	(8,382)	18
Other Financing					(550,000)	19
Net Cash Provided From Financing Activities	<u>(244,893)</u>	<u>(247,811)</u>	<u>(221,612)</u>	<u>(115,985)</u>	<u>(853,518)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(241,586)	(403,449)	(383,459)	662,307	348,687	21
Cash & Equivalents at Beginning of Year	357,572	761,021	1,144,480	482,173	133,486	22
Cash & Equivalents at End of Year	\$115,986	\$357,572	\$761,021	\$1,144,480	\$482,173	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,277,533	\$2,457,366	\$2,793,775	\$3,127,839	\$3,396,539
2 Access Lines	1,706	1,865	2,201	2,401	2,493
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,227,171	\$1,284,388	\$1,439,605	\$1,374,597	\$1,505,312
4 Depreciation and Amortization	265,627	410,645	525,701	466,186	538,205
5 Other Operations Expense	815,898	896,038	923,781	840,918	1,012,129
6 Total Operation Expenses	2,308,696	2,591,071	2,889,087	2,681,701	3,055,646
7 Income Taxes - Operating Taxes	(104,313)	(119,544)	(185,621)	(225,044)	1,429
8 Other Taxes - Operating Taxes	151,966	147,005	152,317	194,619	167,913
9 Capital Costs	(78,816)	(\$161,166)	(\$62,008)	\$476,563	\$171,551
10 Total	\$2,277,533	\$2,457,366	\$2,793,775	\$3,127,839	\$3,396,539
PERCENT OF REVENUES					
11 Wages and Benefits	53.9	52.3	51.5	43.9	44.3
12 Depreciation and Amortization	11.7	16.7	18.8	14.9	15.8
13 Other Operations Expense	35.8	36.5	33.1	26.9	29.8
14 Income Taxes - Operating Taxes	(4.6)	(4.9)	(6.6)	(7.2)	0.0
15 Other Taxes - Operating Taxes	6.7	6.0	5.5	6.2	4.9
16 Capital Costs	(3.5)	(6.6)	(2.2)	15.2	5.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	719.33	688.68	654.07	572.51	603.82
19 Depreciation and Amortization	155.70	220.19	238.85	194.16	215.89
20 Other Operations Expense	478.25	480.45	419.71	350.24	405.99
21 Income Taxes - Operating Taxes	(61.14)	(64.10)	(84.33)	(93.73)	0.57
22 Other Taxes - Operating Taxes	89.08	78.82	69.20	81.06	67.35
23 Capital Costs	(46.20)	(86.42)	(28.17)	198.49	68.81
24 Total	1,335.01	1,317.62	1,269.32	1,302.72	1,362.43

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,997,056	\$2,970,852	\$2,880,796	\$2,862,643	\$2,885,043	1
Central Office Assets	1,786,517	3,214,924	3,009,596	2,721,253	2,677,500	2
Information Origination/Termination	205,230	207,958	207,958	207,958	207,958	3
Cable And Wire Facilities	4,972,331	4,961,191	4,928,981	4,910,105	4,882,740	4
Amortizable Assets	150	150	150	150	150	5
Total Plant In Service	9,961,285	11,355,075	11,027,481	10,702,109	10,653,391	6
Property Held For Future Use						7
Plant Under Construction	27,666	11,508	34,338	75,958	25,560	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,988,951	11,366,583	11,061,819	10,778,067	10,678,951	13
Less Acc. Prov. For Depreciation & Amort.	7,491,166	8,647,472	8,223,424	7,729,236	7,468,174	14
Net Total Utility Plant	\$2,497,785	\$2,719,111	\$2,838,395	\$3,048,831	\$3,210,777	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.02	3.52	2.88	4.16	3.70	16
Total Capitalization	\$3,165,718	\$3,659,026	\$4,028,744	\$4,777,836	\$4,882,911	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt	47.4%	47.6%	48.8%	45.6%	48.8%	18
Preferred Stock	3.2%	2.7%	2.5%	2.1%	2.0%	19
Common Stock & Retained Earnings	41.1%	42.5%	41.9%	46.5%	45.4%	20
Short-Term Debt	8.4%	7.1%	6.9%	5.8%	3.8%	21
Pretax Coverage of Interest Expense	-1.56	-0.45	-1.62	2.05	2.28	22
Com. Stock Dividends as a % of Earnings	-0.9%	-1.6%	-0.4%	45.3%	1.2%	23
Return on Common Equity	-16.3%	-7.9%	-27.3%	0.2%	8.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1301.8%	37.0%	74.5%	16.9%	527.4%	25
CWIP as a % of Plant	0.3%	0.1%	0.3%	0.7%	0.2%	26

Current Assets	625,151	1,597,013	2,286,080	2,600,358	1,754,515
Current Liabilities	611,056	453,391	792,997	625,519	473,819
Total Capitalization	3,165,718	3,659,026	4,028,744	4,777,836	4,882,911
Long-Term Debt	1,498,984	1,741,894	1,965,865	2,179,824	2,381,396
Preferred Stock	100,000	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,300,266	1,556,749	1,686,723	2,222,269	2,216,493
Short-Term Debt	266,468	260,383	276,156	275,743	185,022
Pretax Income	(200,916)	(72,071)	(313,123)	335,522	394,348
Interest Expense	128,662	161,465	193,655	163,445	173,100
Common Dividends Paid	2,067	2,067	2,067	2,225	2,382
Net Income (Excl. Preferred Stock Dividends)	(233,115)	(127,323)	(533,479)	4,909	202,620
Internal Cash	640,900	128,867	249,184	53,233	1,080,906
Cash Outflows for Construction	(49,231)	(348,421)	(334,523)	(315,150)	(204,942)
CWIP	27,666	11,508	34,338	75,958	25,560
Total Plant	9,988,951	11,366,583	11,061,819	10,778,067	10,678,951
Shares Outstanding	689	689	689	689	820
Number of Employees	17	17	15	16	17

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$1,501,054	\$1,972,992	\$1,654,407	\$2,955,460	\$2,501,854	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,095,799	2,079,198	2,064,042	2,027,715	1,544,141	2
Changes in Deferred Income Taxes	164,329	323,689	(399,161)	(209,857)	234,967	3
Changes in Working Capital	408,710	(947,123)	428,156	607,224	(554,451)	4
Capitalized AFDC - Equity						5
Other	(628,873)	(1,250,390)	3,066,064	(507,779)	(1,311,617)	6
Total Non-Cash Items	2,039,966	205,374	5,159,101	1,917,303	(86,960)	7
Net Cash Provided From Operating Activities	<u>3,541,020</u>	<u>2,178,366</u>	<u>6,813,508</u>	<u>4,872,763</u>	<u>2,414,894</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(704,079)	(986,135)	(1,289,962)	(1,354,015)	(730,510)	9
Purchase of Other Investments	(2,805,521)	(1,009,525)	(2,569,822)	(3,554,807)	(1,230,275)	10
Sale of Other Investments			7,348			11
Other	(101,597)	(224,132)				12
Net Cash Provided From Investing Activities	<u>(3,611,197)</u>	<u>(2,219,792)</u>	<u>(3,852,436)</u>	<u>(4,908,822)</u>	<u>(1,960,785)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	46,399	44,838	(2,958,083)	41,184	(457,895)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>46,399</u>	<u>44,838</u>	<u>(2,958,083)</u>	<u>41,184</u>	<u>(457,895)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(23,778)	3,412	2,989	5,125	(3,786)	21
Cash & Equivalents at Beginning of Year	18,736	15,325	12,335	7,210	10,996	22
Cash & Equivalents at End of Year	(\$5,041)	\$18,736	\$15,325	\$12,335	\$7,210	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$8,773,815	\$8,515,619	\$9,167,205	\$10,003,962	\$10,403,523
2 Access Lines	13,484	14,723	16,310	18,293	19,571
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,074,064	\$973,887	\$970,481	\$1,007,809	\$986,283
4 Depreciation and Amortization	2,095,799	2,079,198	2,064,042	2,027,715	2,076,531
5 Other Operations Expense	2,425,845	2,222,234	2,156,158	2,286,128	2,696,764
6 Total Operation Expenses	5,595,709	5,275,319	5,190,682	5,321,652	5,759,578
7 Income Taxes - Operating Taxes	638,431	1,094,237	838,254	1,507,943	1,320,154
8 Other Taxes - Operating Taxes	689,284	673,155	688,689	868,196	621,676
9 Capital Costs	1,850,391	1,472,908	2,449,580	2,306,172	2,702,115
10 Total	\$8,773,815	\$8,515,619	\$9,167,205	\$10,003,962	\$10,403,523
PERCENT OF REVENUES					
11 Wages and Benefits	12.2	11.4	10.6	10.1	9.5
12 Depreciation and Amortization	23.9	24.4	22.5	20.3	20.0
13 Other Operations Expense	27.6	26.1	23.5	22.9	25.9
14 Income Taxes - Operating Taxes	7.3	12.8	9.1	15.1	12.7
15 Other Taxes - Operating Taxes	7.9	7.9	7.5	8.7	6.0
16 Capital Costs	21.1	17.3	26.7	23.1	26.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	79.65	66.15	59.50	55.09	50.40
19 Depreciation and Amortization	155.43	141.22	126.55	110.85	106.10
20 Other Operations Expense	179.91	150.94	132.20	124.97	137.79
21 Income Taxes - Operating Taxes	47.35	74.32	51.40	82.43	67.45
22 Other Taxes - Operating Taxes	51.12	45.72	42.22	47.46	31.77
23 Capital Costs	137.23	100.04	150.19	126.07	138.07
24 Total	650.68	578.39	562.06	546.87	531.58

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,260,102	\$3,292,234	\$3,222,397	\$3,139,418	\$3,261,591	1
Central Office Assets	19,838,454	19,621,585	19,204,732	18,980,738	18,337,819	2
Information Origination/Termination	134,008	134,008	134,008	134,008	134,008	3
Cable And Wire Facilities	22,938,735	22,387,806	21,596,891	20,867,249	20,383,698	4
Amortizable Assets						5
Total Plant In Service	46,171,299	45,435,633	44,158,028	43,121,413	42,117,116	6
Property Held For Future Use						7
Plant Under Construction	339,440	371,028	662,500	463,507	572,363	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant				210,874		11
Goodwill						12
Total Telecommunications Plant	46,510,739	45,806,661	44,820,527	43,795,794	42,689,479	13
Less Acc. Prov. For Depreciation & Amort.	33,756,769	31,762,567	29,907,502	28,101,341	26,321,321	14
Net Total Utility Plant	\$12,753,970	\$14,044,094	\$14,913,025	\$15,694,453	\$16,368,158	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.97	1.19	0.78	0.96	1.24	16
Total Capitalization	\$32,969,960	\$32,063,459	\$30,650,442	\$29,524,521	\$27,066,624	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	3.6%	5.6%	7.8%	10.0%	12.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.5%	92.5%	90.3%	88.2%	85.3%	20
Short-Term Debt	1.9%	1.9%	1.8%	1.8%	1.8%	21
Pretax Coverage of Interest Expense	17.59	21.32	11.18	19.67	15.23	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	4.9%	6.9%	6.2%	12.0%	11.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	597.3%	279.9%	581.7%	359.9%	330.6%	25
CWIP as a % of Plant	0.7%	0.8%	1.5%	1.1%	427.1%	26

Current Assets	2,059,585	2,493,566	1,818,185	2,081,424	2,832,245
Current Liabilities	2,129,618	2,094,979	2,323,817	2,173,628	2,275,132
Total Capitalization	32,969,960	32,063,459	30,650,442	29,524,521	27,066,624
Long-Term Debt	1,172,862	1,803,554	2,398,108	2,958,083	3,486,569
Preferred Stock		-	-		
Common Stock and Retained Earnings (Excl. Preferred Stock)	31,166,405	29,665,351	27,692,359	26,037,952	23,082,492
Short-Term Debt	630,693	594,553	559,975	528,487	497,562
Pretax Income	2,499,663	3,218,140	2,737,546	4,702,524	4,090,537
Interest Expense	142,130	150,911	244,885	239,121	268,528
Common Dividends Paid		-	-		
Net Income (Excl. Preferred Stock Dividends)	1,501,055	1,972,992	1,654,407	2,955,460	2,501,854
Internal Cash	4,205,753	2,759,755	7,504,165	4,872,763	2,414,893
Cash Outflows for Construction	(704,079)	(986,135)	(1,289,962)	(1,354,013)	(730,510)
CWIP	339,440	371,029	662,500	463,507	572,363
Total Plant	46,510,741	45,806,661	44,820,528	43,795,794	134,009
Shares Outstanding	131,026	131,026	131,026	131,026	131,026
Number of Employees	15	15	22	16	16

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$135,817)	(\$172,718)	\$47,451	(\$285,240)	\$344,307	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	606,765	711,120	854,507	881,426	865,864	2
Changes in Deferred Income Taxes	(32,734)	73,378	31,488	(160,601)	(113,130)	3
Changes in Working Capital	100,202	(516,649)	(6,888)	(564,474)	212,530	4
Capitalized AFDC - Equity	0					5
Other	7,734	108,730	(185,907)	97,639	(79,195)	6
Total Non-Cash Items	681,967	376,579	693,200	253,990	886,069	7
Net Cash Provided From Operating Activities	<u>546,150</u>	<u>203,861</u>	<u>740,651</u>	<u>(31,250)</u>	<u>1,230,376</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(27,176)	(211,467)	(547,158)	(768,629)	(735,023)	9
Purchase of Other Investments	(664,594)	(705,539)	(771,423)	(722,798)	(728,974)	10
Sale of Other Investments	389,057	331,210	421,124	745,119	424,809	11
Other	0					12
Net Cash Provided From Investing Activities	<u>(302,713)</u>	<u>(585,796)</u>	<u>(897,457)</u>	<u>(746,308)</u>	<u>(1,039,188)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	0	(704,121)	(123,155)	(200,529)	(531,785)	14
Common Stock	(100)	0				15
Preferred Stock	(608,024)	0			(500)	16
Short-Term Debt	0	0			117,578	17
Dividends Paid	(3,888)	(3,888)	(3,888)	(3,888)	(3,903)	18
Other Financing	0					19
Net Cash Provided From Financing Activities	<u>(612,012)</u>	<u>(708,009)</u>	<u>(127,043)</u>	<u>(204,417)</u>	<u>(418,610)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(368,575)	(1,089,944)	(283,849)	(981,975)	(227,422)	21
Cash & Equivalents at Beginning of Year	1,408,019	2,497,963	2,781,812	3,763,788	3,991,210	22
Cash & Equivalents at End of Year	\$1,039,444	\$1,408,019	\$2,497,963	\$2,781,812	\$3,763,788	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$2,452,351	\$2,798,051	\$3,002,841	\$3,270,731	\$4,102,467
2 Access Lines	2,635	2,972	3,289	3,543	3,733
DOLLAR AMOUNTS					
3 Wages and Benefits	\$886,315	1,140,599	1,070,661	1,509,393	1,537,753
4 Depreciation and Amortization	606,765	711,121	848,036	881,470	865,467
5 Other Operations Expense	839,430	995,728	963,887	1,082,757	1,008,259
6 Total Operation Expenses	2,332,510	2,847,448	2,882,584	3,473,620	3,411,479
7 Income Taxes - Operating Taxes	(176,050)	(168,630)	(96,712)	(197,305)	57,321
8 Other Taxes - Operating Taxes	218,124	218,582	226,760	238,947	248,531
9 Capital Costs	77,767	(\$99,349)	(\$9,791)	(\$244,531)	\$385,136
10 Total	\$2,452,351	\$2,798,051	\$3,002,841	\$3,270,731	\$4,102,467
PERCENT OF REVENUES					
11 Wages and Benefits	36.1	40.8	35.7	46.1	37.5
12 Depreciation and Amortization	24.7	25.4	28.2	27.0	21.1
13 Other Operations Expense	34.2	35.6	32.1	33.1	24.6
14 Income Taxes - Operating Taxes	(7.2)	(6.0)	(3.2)	(6.0)	1.4
15 Other Taxes - Operating Taxes	8.9	7.8	7.6	7.3	6.1
16 Capital Costs	3.2	(3.6)	(0.3)	(7.5)	9.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	336.36	383.78	325.53	426.02	411.93
19 Depreciation and Amortization	230.27	239.27	257.84	248.79	231.84
20 Other Operations Expense	318.57	335.04	293.06	305.60	270.09
21 Income Taxes - Operating Taxes	(66.81)	(56.74)	(29.40)	(55.69)	15.36
22 Other Taxes - Operating Taxes	82.78	73.55	68.94	67.44	66.58
23 Capital Costs	29.51	(33.43)	(2.98)	(69.02)	103.17
24 Total	930.68	941.47	913.00	923.15	1,098.97

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,049,758	\$4,036,724	\$3,933,448	\$3,956,233	3,959,205	1
Central Office Assets	5,784,550	5,782,304	5,858,395	5,403,487	4,760,784	2
Information Origination/Termination	13,582	14,921	15,997	16,780	91,970	3
Cable And Wire Facilities	5,444,078	5,422,768	5,387,198	5,359,247	5,311,469	4
Amortizable Assets	43,125	43,125	43,125	43,125	43,125	5
Total Plant In Service	15,335,093	15,299,842	15,238,163	14,778,872	14,166,553	6
Property Held For Future Use						7
Plant Under Construction	142	8,095	36,814	5,978	97,728	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	15,335,235	15,307,937	15,274,977	14,784,850	14,264,281	13
Less Acc. Prov. For Depreciation & Amort.	10,289,963	9,674,772	9,133,130	8,351,912	7,687,292	14
Net Total Utility Plant	\$5,045,272	\$5,633,165	\$6,141,847	\$6,432,938	\$6,576,989	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.39	2.04	28.74	25.44	12.04	16
Total Capitalization	\$13,544,827	\$13,473,195	\$15,981,141	\$16,151,234	\$16,513,273	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	28.8%	33.4%	32.6%	33.0%	33.5%	18
Preferred Stock	0.3%	0.3%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	71.0%	66.3%	67.2%	66.8%	66.3%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	-0.56	-0.07	1.03	-0.55	2.37	22
Com. Stock Dividends as a % of Earnings	-1.3%	-1.0%	4.0%	-0.6%	0.5%	23
Return on Common Equity	-1.5%	-1.8%	0.4%	-2.6%	3.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2009.7%	96.4%	135.4%	-4.1%	167.4%	25
CWIP as a % of Plant	0.0%	0.1%	0.2%	0.0%	0.7%	26

Current Assets	2,400,833	2,852,666	3,538,118	3,868,368	4,488,550
Current Liabilities	1,004,993	1,398,433	123,121	152,030	372,661
Total Capitalization	13,544,827	13,473,195	15,981,141	16,151,234	16,513,273
Long-Term Debt	3,895,443	4,503,467	5,207,588	5,330,743	5,531,271
Preferred Stock	34,750	34,850	34,850	34,850	34,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,614,634	8,934,878	10,738,703	10,785,641	10,947,152
Short-Term Debt	0				
Pretax Income	(122,869)	(17,101)	284,711	(136,712)	801,554
Interest Expense	221,073	256,600	275,112	246,806	338,886
Common Dividends Paid	1,797	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	(137,908)	(174,809)	45,360	(285,240)	342,201
Internal Cash	546,151	203,861	740,652	(31,250)	1,230,376
Cash Outflows for Construction	(27,176)	(211,467)	(547,158)	(768,629)	(735,023)
CWIP	142	8,095	36,814	5,978	97,728
Total Plant	15,335,235	15,307,937	15,274,977	14,784,850	14,264,281
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	14	18	17	19	22

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$125,635	\$169,036	\$315,013	\$246,703	\$302,986	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	593,297	587,210	510,884	546,813	535,878	2
Changes in Deferred Income Taxes	38,557	(33,538)	25,600	(224,164)	(25,443)	3
Changes in Working Capital	(340,757)	(515,976)	(244,579)	(117,202)	581,288	4
Capitalized AFDC - Equity						5
Other	104,266	(28,905)	(193,543)	72,869	(31,209)	6
Total Non-Cash Items	395,363	8,791	98,362	278,316	1,060,514	7
Net Cash Provided From Operating Activities	<u>520,998</u>	<u>177,827</u>	<u>413,375</u>	<u>525,019</u>	<u>1,363,500</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(168,764)	(276,929)	145,255	(1,897,949)	(750,672)	9
Purchase of Other Investments	(569,994)	(601,579)	(620,548)	(1,154,111)	(732,598)	10
Sale of Other Investments	590,403	665,033	712,453	1,651,580	743,642	11
Other						12
Net Cash Provided From Investing Activities	<u>(148,355)</u>	<u>(213,475)</u>	<u>237,160</u>	<u>(1,400,480)</u>	<u>(739,628)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(308,516)	(207,692)	(233,471)	385,715		14
Common Stock					(70,982)	15
Preferred Stock						16
Short-Term Debt			(13,134)	21,772	11,004	17
Dividends Paid	(43,532)	(43,466)	(70,828)	(71,118)		18
Other Financing		(113,614)	(148,837)	(118,662)	(87,446)	19
Net Cash Provided From Financing Activities	<u>(352,048)</u>	<u>(364,772)</u>	<u>(466,270)</u>	<u>113,591</u>	<u>(103,454)</u>	20
Net Increase (Decrease) in Cash & Equivalents	20,595	(400,420)	184,265	(761,870)	520,418	21
Cash & Equivalents at Beginning of Year	290,331	690,752	506,487	1,268,357	747,939	22
Cash & Equivalents at End of Year	\$310,926	\$290,331	\$690,752	\$506,487	\$1,268,357	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$3,480,943	\$3,369,015	\$3,330,312	\$3,461,813	\$3,561,523
2 Access Lines	2,938	3,517	3,944	4,512	4,751
DOLLAR AMOUNTS					
3 Wages and Benefits	\$998,944	\$1,071,224	\$1,016,615	\$1,031,368	\$1,250,387
4 Depreciation and Amortization	592,098	586,010	510,884	545,613	534,678
5 Other Operations Expense	1,331,990	1,251,269	1,347,010	1,398,297	1,338,379
6 Total Operation Expenses	2,923,032	2,908,503	2,874,509	2,975,278	3,123,444
7 Income Taxes - Operating Taxes	(20,593)	(28,844)	24,980	(62,973)	(57,976)
8 Other Taxes - Operating Taxes	244,892	259,494	253,169	254,400	243,763
9 Capital Costs	333,612	229,862	177,654	295,108	\$252,292
10 Total	\$3,480,943	\$3,369,015	\$3,330,312	\$3,461,813	\$3,561,523
PERCENT OF REVENUES					
11 Wages and Benefits	28.7	31.8	30.5	29.8	35.1
12 Depreciation and Amortization	17.0	17.4	15.3	15.8	15.0
13 Other Operations Expense	38.3	37.1	40.4	40.4	37.6
14 Income Taxes - Operating Taxes	(0.6)	(0.9)	0.8	(1.8)	(1.6)
15 Other Taxes - Operating Taxes	7.0	7.7	7.6	7.3	6.8
16 Capital Costs	9.6	6.8	5.3	8.5	7.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	340.01	304.58	257.76	228.58	263.18
19 Depreciation and Amortization	201.53	166.62	129.53	120.92	112.54
20 Other Operations Expense	453.37	355.78	341.53	309.91	281.70
21 Income Taxes - Operating Taxes	(7.01)	(8.20)	6.33	(13.96)	(12.20)
22 Other Taxes - Operating Taxes	83.35	73.78	64.19	56.38	51.31
23 Capital Costs	113.55	65.36	45.04	65.41	53.10
24 Total	1,184.80	957.92	844.40	767.25	749.64

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,331,420	\$2,253,115	\$2,174,248	\$2,155,509	\$1,980,374	1
Central Office Assets	3,659,465	3,629,737	3,501,152	5,791,187	5,926,671	2
Information Origination/Termination	97,796	95,198	95,343	79,947	77,850	3
Cable And Wire Facilities	6,347,519	6,287,254	6,234,076	6,019,505	5,846,522	4
Amortizable Assets						5
Total Plant In Service	12,436,200	12,265,304	12,004,819	14,046,148	13,831,416	6
Property Held For Future Use						7
Plant Under Construction	84,217	93,755	101,804	987,108	339,120	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,520,417	12,359,059	12,106,623	15,033,256	14,170,536	13
Less Acc. Prov. For Depreciation & Amort.	4,596,333	4,033,379	3,475,124	5,765,631	6,181,372	14
Net Total Utility Plant	\$7,924,084	\$8,325,680	\$8,631,499	\$9,267,625	\$7,989,164	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.43	2.07	1.73	1.46	1.78	16
Total Capitalization	\$10,634,446	\$10,631,080	\$10,768,664	\$10,939,984	\$10,302,474	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	9.7%	11.7%	13.4%	15.3%	12.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	86.1%	84.2%	82.4%	80.4%	83.2%	20
Short-Term Debt	4.2%	4.2%	4.2%	4.3%	4.3%	21
Pretax Coverage of Interest Expense	2.82	2.28	3.57	1.18	4.32	22
Com. Stock Dividends as a % of Earnings	34.6%	25.7%	22.5%	28.8%	23.4%	23
Return on Common Equity	1.4%	1.9%	3.6%	2.8%	3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	282.3%	83.5%	-271.2%	27.7%	181.6%	25
CWIP as a % of Plant	0.7%	0.8%	0.8%	6.6%	2.4%	26

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$48,597	\$83,745	\$96,084	\$93,634	\$64,476	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	87,812	53,696	54,162	55,309	56,532	2
Changes in Deferred Income Taxes	(21,888)	(5,528)	(6,319)	1,813	9,686	3
Changes in Working Capital	10,306	8,372	15,153	4,096	(3,954)	4
Capitalized AFDC - Equity	0	0	0			5
Other	5,235	8,813	850	(2,061)	(1,253)	6
Total Non-Cash Items	81,465	65,353	63,846	59,157	61,011	7
Net Cash Provided From Operating Activities	<u>130,062</u>	<u>149,098</u>	<u>159,930</u>	<u>152,791</u>	<u>125,487</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(165,784)	(28,420)	(23,284)	(27,052)	(13,271)	9
Purchase of Other Investments		0				10
Sale of Other Investments		(500)	2,870		(1,483)	11
Other				(1,231)		12
Net Cash Provided From Investing Activities	<u>(165,784)</u>	<u>(28,920)</u>	<u>(20,414)</u>	<u>(28,283)</u>	<u>(14,754)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt					(283,181)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing		1,272	1,320			19
Net Cash Provided From Financing Activities	<u>0</u>	<u>1,272</u>	<u>1,320</u>	<u>0</u>	<u>(283,181)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(35,722)	121,450	140,836	124,508	(172,448)	21
Cash & Equivalents at Beginning of Year	1,646,859	1,525,410	1,384,573	1,260,065	1,432,513	22
Cash & Equivalents at End of Year	\$1,611,138	\$1,646,859	\$1,525,410	\$1,384,573	\$1,260,065	23

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

	2009	2008	2007	2006	2,005
1 Revenues	\$432,157	\$417,114	\$439,660	\$447,005	\$450,387
2 Access Lines	474	501	606	658	663
DOLLAR AMOUNTS					
3 Wages and Benefits	\$0				
4 Depreciation and Amortization	87,805	\$53,696	\$54,163	\$55,309	\$56,532
5 Other Operations Expense	247,554	238,530	274,118	274,528	294,442
6 Total Operation Expenses	335,359	292,226	328,281	329,837	350,974
7 Income Taxes - Operating Taxes	22,696	34,399	30,687	31,269	23,527
8 Other Taxes - Operating Taxes	32,357	31,552	30,697	34,904	32,869
9 Capital Costs	41,745	58,937	49,995	50,995	43,017
10 Total	\$432,157	\$417,114	\$439,660	\$447,005	\$450,387
PERCENT OF REVENUES					
11 Wages and Benefits	0.0	0.0	0.0	0.0	0.0
12 Depreciation and Amortization	20.3	12.9	12.3	12.4	12.6
13 Other Operations Expense	57.3	57.2	62.3	61.4	65.4
14 Income Taxes - Operating Taxes	5.3	8.2	7.0	7.0	5.2
15 Other Taxes - Operating Taxes	7.5	7.6	7.0	7.8	7.3
16 Capital Costs	9.7	14.1	11.4	11.4	9.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	0.00	0.00	0.00	0.00	0.00
19 Depreciation and Amortization	185.24	107.18	89.38	84.06	85.27
20 Other Operations Expense	522.27	476.11	452.34	417.22	444.11
21 Income Taxes - Operating Taxes	47.88	68.66	50.64	47.52	35.49
22 Other Taxes - Operating Taxes	68.26	62.98	50.65	53.05	49.58
23 Capital Costs	88.07	117.64	82.50	77.50	64.88
24 Total	911.72	832.56	725.51	679.34	679.32

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$365,959	\$169,858	\$169,858	\$167,763	167,939	1
Central Office Assets	377,125	416,178	420,675	414,511	412,857	2
Information Origination/Termination	0	14	294	607	907	3
Cable And Wire Facilities	949,342	938,554	927,003	929,147	915,758	4
Amortizable Assets	10,246	11,926	10,330	17,860	14,016	5
Total Plant In Service	1,702,672	1,536,530	1,528,160	1,529,888	1,511,477	6
Property Held For Future Use						7
Plant Under Construction	32,084	20,506	10,308	99		8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	1,734,756	1,557,036	1,538,468	1,529,987	1,511,477	13
Less Acc. Prov. For Depreciation & Amort.	1,134,953	1,035,205	991,859	949,631	904,095	14
Net Total Utility Plant	\$599,803	\$521,831	\$546,609	\$580,356	\$607,382	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	20.13	33.60	26.07	26.93	18.53	16
Total Capitalization	\$2,106,106	\$2,065,042	\$1,980,024	\$1,882,620	\$1,763,416	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!	927.37	#DIV/0!	#DIV/0!	14.04	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	2.3%	4.1%	5.0%	5.1%	3.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	78.5%	524.6%	686.9%	564.8%	945.6%	25
CWIP as a % of Plant	1.8%	1.3%	0.7%	0.0%	0.0%	26

Current Assets	1,671,939	1,693,621	1,603,669	1,472,588	1,371,443
Current Liabilities	83,048	50,405	61,512	54,689	74,007
Total Capitalization	2,106,106	2,065,042	1,980,024	1,882,620	1,763,416
Long-Term Debt	0				
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,106,106	2,065,042	1,980,024	1,882,620	1,763,416
Short-Term Debt	0				
Pretax Income	74,859	131,687	151,588	147,862	106,031
Interest Expense	0	142			7,550
Common Dividends Paid	0				
Net Income (Excl. Preferred Stock Dividends)	48,597	83,745	96,084	93,634	64,476
Internal Cash	130,063	149,097	159,931	152,795	125,487
Cash Outflows for Construction	(165,784)	(28,420)	(23,284)	(27,052)	(13,271)
CWIP	32,084	20,506	10,308	99	0
Total Plant	1,734,756	1,557,036	1,538,468	1,529,987	1,511,477
Shares Outstanding	100	151	149	149	149
Number of Employees	0	0	0	0	0

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$106,973)	(\$101,087)	(\$32,797)	\$92,088	\$131,058	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	336,642	301,174	262,124	260,759	279,292	2
Changes in Deferred Income Taxes	(61,346)	(63,513)	(50,368)	58,599	44,326	3
Changes in Working Capital	(11,801)	20,782	95,564	(148,683)	72,787	4
Capitalized AFDC - Equity						5
Other	99,717	(92,453)	3,786	(7,237)	(16,472)	6
Total Non-Cash Items	363,213	165,990	311,106	163,438	379,933	7
Net Cash Provided From Operating Activities	<u>256,240</u>	<u>64,903</u>	<u>278,309</u>	<u>255,526</u>	<u>510,991</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(31,329)	(117,095)	(164,203)	(162,185)	(57,619)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	(2,061)	(10,356)	(4,437)	(3,466)	(16,976)	12
Net Cash Provided From Investing Activities	<u>(33,390)</u>	<u>(127,451)</u>	<u>(168,640)</u>	<u>(165,651)</u>	<u>(74,595)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt				(55,376)	(20,097)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(16,800)	(126,000)	(336,000)	(42,000)	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(16,800)</u>	<u>(126,000)</u>	<u>(391,376)</u>	<u>(62,097)</u>	20
Net Increase (Decrease) in Cash & Equivalents	222,850	(79,348)	(16,331)	(301,501)	374,299	21
Cash & Equivalents at Beginning of Year	457,328	536,676	553,007	854,508	480,208	22
Cash & Equivalents at End of Year	\$680,178	\$457,328	\$536,676	\$553,007	\$854,508	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$1,361,845	\$1,416,789	\$1,542,785	\$1,726,332	\$1,885,982
2 Access Lines	947	992	1,153	1,270	1,306
DOLLAR AMOUNTS					
3 Wages and Benefits	\$828,658	\$922,322	\$937,379	\$980,333	\$993,841
4 Depreciation and Amortization	336,642	301,174	262,124	260,759	279,292
5 Other Operations Expense	306,318	311,247	347,440	346,295	355,661
6 Total Operation Expenses	1,471,619	1,534,744	1,546,944	1,587,387	1,628,795
7 Income Taxes - Operating Taxes	(61,808)	(44,544)	(34,154)	8,430	51,085
8 Other Taxes - Operating Taxes	70,421	70,673	84,141	88,048	90,081
9 Capital Costs	(118,386)	(144,084)	(54,146)	42,467	116,021
10 Total	\$1,361,845	\$1,416,789	\$1,542,785	\$1,726,332	\$1,885,982
PERCENT OF REVENUES					
11 Wages and Benefits	60.8	65.1	60.8	56.8	52.7
12 Depreciation and Amortization	24.7	21.3	17.0	15.1	14.8
13 Other Operations Expense	22.5	22.0	22.5	20.1	18.9
14 Income Taxes - Operating Taxes	(4.5)	(3.1)	(2.2)	0.5	2.7
15 Other Taxes - Operating Taxes	5.2	5.0	5.5	5.1	4.8
16 Capital Costs	(8.7)	(10.2)	(3.5)	2.5	6.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	875.03	929.76	812.99	771.92	760.98
19 Depreciation and Amortization	355.48	303.60	227.34	205.32	213.85
20 Other Operations Expense	323.46	313.76	301.34	272.67	272.33
21 Income Taxes - Operating Taxes	(65.27)	(44.90)	(29.62)	6.64	39.12
22 Other Taxes - Operating Taxes	74.36	71.24	72.98	69.33	68.97
23 Capital Costs	(125.01)	(145.25)	(46.96)	33.44	88.84
24 Total	1,438.06	1,428.21	1,338.06	1,359.32	1,444.09

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,004,708	\$1,004,708	\$1,023,541	\$1,006,748	\$998,459	1
Central Office Assets	1,983,648	1,976,919	1,881,770	1,876,138	1,855,334	2
Information Origination/Termination	894	926	974	974	974	3
Cable And Wire Facilities	1,812,928	1,807,751	1,755,608	1,679,003	1,656,095	4
Amortizable Assets						5
Total Plant In Service	4,802,178	4,790,304	4,661,893	4,562,863	4,510,862	6
Property Held For Future Use						7
Plant Under Construction	21,560	3,782	62,246	50,826	16,902	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	4,823,738	4,794,085	4,724,139	4,613,690	4,527,764	13
Less Acc. Prov. For Depreciation & Amort.	4,089,455	3,756,550	3,512,881	3,308,947	3,132,138	14
Net Total Utility Plant	\$734,282	\$1,037,535	\$1,211,258	\$1,304,743	\$1,395,626	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	12.71	12.19	9.34	7.38	9.09	16
Total Capitalization	\$1,308,006	\$1,414,980	\$1,532,867	\$1,691,663	\$2,011,048	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt					2.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	96.2%	20
Short-Term Debt					1.0%	21
Pretax Coverage of Interest Expense	230.73	56.23	-32.83	58.17	46.79	22
Com. Stock Dividends as a % of Earnings		-16.6%	-384.2%	364.9%	32.0%	23
Return on Common Equity	-7.9%	-6.9%	-2.0%	5.1%	6.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	817.9%	55.4%	169.5%	157.6%	886.8%	25
CWIP as a % of Plant	0.4%	0.1%	1.3%	1.1%	0.4%	26

Current Assets	912,610	768,939	786,973	855,485	1,064,050
Current Liabilities	71,805	63,068	84,266	115,873	117,065
Total Capitalization	1,308,006	1,414,980	1,532,867	1,691,663	2,011,048
Long-Term Debt		-			55,376
Preferred Stock		-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,308,006	1,414,980	1,532,867	1,691,663	1,935,576
Short-Term Debt		-			20,096
Pretax Income	(168,692)	(144,694)	(61,720)	118,626	185,308
Interest Expense	(731)	(2,573)	1,880	2,039	3,960
Common Dividends Paid		16,800	126,000	336,000	42,000
Net Income (Excl. Preferred Stock Dividends)	(106,973)	(101,087)	(32,797)	92,088	131,058
Internal Cash	256,240	64,903	278,310	255,526	510,991
Cash Outflows for Construction	(31,329)	(117,095)	(164,203)	(162,185)	(57,619)
CWIP	21,560	3,782	62,246	50,826	16,902
Total Plant	4,823,738	4,794,085	4,724,139	4,613,690	4,527,764
Shares Outstanding	1,920	1,920	1,920	1,920	1,920
Number of Employees	8	8	9	10	11

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$50,799)	\$200,938	(\$76,119)	\$53,563	\$227,529	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	616,631	691,280	681,495	698,907	666,082	2
Changes in Deferred Income Taxes	(42,720)	65,738	(64,433)	(89,322)	(45,863)	3
Changes in Working Capital	(13,753)	(80,226)	175,385	62,639	(113,264)	4
Capitalized AFDC - Equity	0		0			5
Other	(17,037)	(273,775)	(57,426)	183,996	89,742	6
Total Non-Cash Items	543,121	403,017	735,021	856,220	596,697	7
Net Cash Provided From Operating Activities	<u>492,322</u>	<u>603,955</u>	<u>658,902</u>	<u>909,783</u>	<u>824,226</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(397,960)	(303,906)	(191,094)	(238,721)	(618,366)	9
Purchase of Other Investments	0					10
Sale of Other Investments	36,257	(11,466)	38,807	80,356	34,146	11
Other	0			3		12
Net Cash Provided From Investing Activities	<u>(361,703)</u>	<u>(315,372)</u>	<u>(152,287)</u>	<u>(158,362)</u>	<u>(584,220)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(35,209)	(35,208)	(35,208)	(35,209)	(2,243,213)	14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	0					17
Dividends Paid	0	(275,000)			(7,369,000)	18
Other Financing	(11,381)	(10,631)	15,035	(13,156)	22,665	19
Net Cash Provided From Financing Activities	<u>(46,590)</u>	<u>(320,839)</u>	<u>(20,173)</u>	<u>(48,365)</u>	<u>(9,589,548)</u>	20
Net Increase (Decrease) in Cash & Equivalents	84,029	(32,256)	486,442	703,056	(9,349,542)	21
Cash & Equivalents at Beginning of Year	1,377,878	1,410,134	923,692	220,636	9,570,178	22
Cash & Equivalents at End of Year	\$1,461,907	\$1,377,878	\$1,410,134	\$923,692	\$220,636	23

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

	2009	2008	2007	2006	2,005
1 Revenues	\$2,375,504	\$2,583,762	\$2,659,645	\$2,691,582	\$2,856,840
2 Access Lines	2,544	2,822	3,092	3,221	3,385
DOLLAR AMOUNTS					
3 Wages and Benefits	\$287,740	\$317,986	\$366,182	\$375,630	\$478,463
4 Depreciation and Amortization	616,629	691,279	681,495	698,907	666,082
5 Other Operations Expense	1,469,699	1,354,870	1,594,563	1,507,106	1,395,754
6 Total Operation Expenses	2,374,068	2,364,135	2,642,240	2,581,643	2,540,299
7 Income Taxes - Operating Taxes	(48,959)	22,853	(61,411)	(28,011)	42,841
8 Other Taxes - Operating Taxes	107,287	172,824	174,860	165,479	190,540
9 Capital Costs	(56,892)	23,950	(96,044)	(27,529)	83,160
10 Total	\$2,375,504	\$2,583,762	\$2,659,645	\$2,691,582	\$2,856,840
PERCENT OF REVENUES					
11 Wages and Benefits	12.1	12.3	13.8	14.0	16.7
12 Depreciation and Amortization	26.0	26.8	25.6	26.0	23.3
13 Other Operations Expense	61.9	52.4	60.0	56.0	48.9
14 Income Taxes - Operating Taxes	(2.1)	0.9	(2.3)	(1.0)	1.5
15 Other Taxes - Operating Taxes	4.5	6.7	6.6	6.1	6.7
16 Capital Costs	(2.4)	0.9	(3.6)	(1.0)	2.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	113.11	112.68	118.43	116.62	141.35
19 Depreciation and Amortization	242.39	244.96	220.41	216.98	196.77
20 Other Operations Expense	577.71	480.11	515.71	467.90	412.34
21 Income Taxes - Operating Taxes	(19.24)	8.10	(19.86)	(8.70)	12.66
22 Other Taxes - Operating Taxes	42.17	61.24	56.55	51.38	56.29
23 Capital Costs	(22.36)	8.49	(31.06)	(8.55)	24.57
24 Total	933.77	915.58	860.17	835.64	843.97

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$883,551	\$939,437	\$891,901	\$934,481	\$1,051,736	1
Central Office Assets	3,596,360	3,857,184	3,857,895	3,745,746	3,684,832	2
Information Origination/Termination	0	3,079	7,527	10,192	11,381	3
Cable And Wire Facilities	5,726,406	5,712,375	5,713,494	5,672,395	5,601,126	4
Amortizable Assets	119,235	139,561	191,837	200,544	197,202	5
Total Plant In Service	10,325,552	10,651,636	10,662,654	10,563,358	10,546,277	6
Property Held For Future Use						7
Plant Under Construction	66,004	53,259	6,898	35,520	19,192	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,391,556	10,704,895	10,669,552	10,598,878	10,565,469	13
Less Acc. Prov. For Depreciation & Amort.	6,704,062	6,803,549	6,424,571	5,848,162	5,362,226	14
Net Total Utility Plant	\$3,687,494	\$3,901,346	\$4,244,981	\$4,750,716	\$5,203,243	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.73	5.01	3.86	3.57	1.83	16
Total Capitalization	\$4,818,382	\$4,874,308	\$4,994,209	\$5,090,501	\$5,098,462	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.9%	1.7%	2.5%	3.2%	4.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	98.3%	97.3%	96.3%	95.8%	95.1%	20
Short-Term Debt	0.9%	0.9%	1.2%	1.0%	0.7%	21
Pretax Coverage of Interest Expense	-97.85	-30.00	-7.15	54.50	6.34	22
Com. Stock Dividends as a % of Earnings	0.0%	136.9%	0.0%	0.0%	3238.7%	23
Return on Common Equity	-1.1%	4.2%	-1.6%	1.1%	2.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	123.7%	198.7%	344.8%	381.1%	133.3%	25
CWIP as a % of Plant	0.6%	0.5%	0.1%	0.3%	0.2%	26

Current Assets	2,014,417	1,861,145	1,968,155	1,567,752	1,002,396
Current Liabilities	425,530	371,713	509,499	438,923	547,753
Total Capitalization	4,818,382	4,874,308	4,994,209	5,090,501	5,098,462
Long-Term Debt	41,400	83,933	127,218	161,117	213,626
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,734,840	4,744,176	4,807,339	4,876,876	4,849,628
Short-Term Debt	42,142	46,199	59,652	52,508	35,208
Pretax Income	(96,485)	312,535	(104,451)	70,851	382,665
Interest Expense	986	(10,418)	14,612	1,300	60,343
Common Dividends Paid	0	275,000			7,369,000
Net Income (Excl. Preferred Stock Dividends)	(50,799)	200,938	(76,119)	53,563	227,529
Internal Cash	492,322	603,955	658,902	909,783	824,226
Cash Outflows for Construction	(397,960)	(303,906)	(191,094)	(238,721)	(618,366)
CWIP	66,004	53,259	6,898	35,520	19,192
Total Plant	10,391,556	10,704,895	10,669,552	10,598,878	10,565,469
Shares Outstanding	1,330	1,330	1,330	1,330	1,330
Number of Employees	5	5	5	6	6

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$32,344,367	\$49,822,089	\$58,182,475	\$46,668,206	\$39,856,581	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	69,960,582	68,643,556	68,662,256	32,732,915	71,962,380	2
Changes in Deferred Income Taxes	6,968,527	(2,751,148)	(17,497,728)	20,945,822	18,754,712	3
Changes in Working Capital	(36,757,918)	(22,626,414)	39,616,181	(2,081,705)	(55,602,804)	4
Capitalized AFDC - Equity					119,469	5
Other	7,795,652	5,232,650	4,790,150	5,381,266	6,977,339	6
Total Non-Cash Items	47,966,844	48,498,644	95,570,859	56,978,298	42,211,096	7
Net Cash Provided From Operating Activities	<u>80,311,211</u>	<u>98,320,733</u>	<u>153,753,334</u>	<u>103,646,504</u>	<u>82,067,677</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(18,536,055)	(15,420,113)	(37,780,577)	396,651	(42,603,562)	9
Purchase of Other Investments	(53,783,726)	1,037,920	(40,082,828)	(103,704,138)	(41,972,212)	10
Sale of Other Investments			389,987		2,569,893	11
Other	(7,137,177)	(15,752,398)			(200)	12
Net Cash Provided From Investing Activities	<u>(79,456,958)</u>	<u>(30,134,591)</u>	<u>(77,473,418)</u>	<u>(103,307,487)</u>	<u>(82,006,081)</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		(65,000,000)	(80,000,000)			18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(65,000,000)</u>	<u>(80,000,000)</u>			20
Net Increase (Decrease) in Cash & Equivalents	854,253	3,186,142	(3,720,084)	339,017	61,596	21
Cash & Equivalents at Beginning of Year	317,386	(2,868,757)	851,328	512,311	450,715	22
Cash & Equivalents at End of Year	\$1,171,639	\$317,386	(\$2,868,757)	\$851,328	\$512,311	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$287,285,493	\$301,683,576	\$321,185,560	\$323,806,026	\$335,884,333
2 Access Lines	251,260	275,184	309,187	415,139	456,030
DOLLAR AMOUNTS					
3 Wages and Benefits	\$46,550,939	\$55,309,820	\$68,188,871	\$68,343,244	\$78,515,542
4 Depreciation and Amortization	69,960,582	68,643,556	68,662,256	69,411,916	72,655,379
5 Other Operations Expense	96,752,274	89,705,967	86,676,029	97,588,609	98,900,096
6 Total Operation Expenses	213,263,795	213,659,343	223,527,156	235,343,770	250,071,017
7 Income Taxes - Operating Taxes	11,057,241	28,072,845	29,301,532	21,823,725	20,828,095
8 Other Taxes - Operating Taxes	21,085,940	20,683,254	20,195,685	21,440,996	21,448,332
9 Capital Costs	41,878,516	39,268,134	48,161,186	45,197,536	43,536,888
10 Total	\$287,285,493	\$301,683,576	\$321,185,560	\$323,806,026	\$335,884,333
PERCENT OF REVENUES					
11 Wages and Benefits	16.2	18.3	21.2	21.1	23.4
12 Depreciation and Amortization	24.4	22.8	21.4	21.4	21.6
13 Other Operations Expense	33.7	29.7	27.0	30.1	29.4
14 Income Taxes - Operating Taxes	3.8	9.3	9.1	6.7	6.2
15 Other Taxes - Operating Taxes	7.3	6.9	6.3	6.6	6.4
16 Capital Costs	14.6	13.0	15.0	14.0	13.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	185.27	200.99	220.54	164.63	172.17
19 Depreciation and Amortization	278.44	249.45	222.07	167.20	159.32
20 Other Operations Expense	385.07	325.99	280.34	235.07	216.87
21 Income Taxes - Operating Taxes	44.01	102.01	94.77	52.57	45.67
22 Other Taxes - Operating Taxes	83.92	75.16	65.32	51.65	47.03
23 Capital Costs	166.67	142.70	155.77	108.87	95.47
24 Total	1,143.38	1,096.30	1,038.81	779.99	736.54

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$135,030,667	\$133,658,997	\$136,846,452	\$134,322,206	\$135,648,672	1
Central Office Assets	605,209,992	597,141,766	583,833,229	573,969,306	563,387,672	2
Information Origination/Termination	15,032,753	17,895,274	17,917,954	17,910,383	20,779,412	3
Cable And Wire Facilities	702,446,053	691,639,459	676,534,760	665,562,668	654,767,599	4
Amortizable Assets	12,078,642	12,061,718	11,937,767	12,012,348	12,130,926	5
Total Plant In Service	1,469,798,107	1,452,397,214	1,427,070,162	1,403,776,911	1,386,714,281	6
Property Held For Future Use						7
Plant Under Construction	7,956,050	10,738,344	20,759,589	16,771,092	13,638,941	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,205					11
Goodwill						12
Total Telecommunications Plant	1,477,756,362	1,463,135,558	1,447,829,751	1,420,548,003	1,400,353,222	13
Less Acc. Prov. For Depreciation & Amort.	1,062,397,661	1,003,489,506	950,712,655	892,159,241	839,629,993	14
Net Total Utility Plant	\$415,358,701	\$459,646,052	\$497,117,096	\$528,388,762	\$560,723,229	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.33	1.59	1.05	1.97	1.83	16
Total Capitalization	\$706,245,103	\$673,900,736	\$689,078,648	\$710,896,174	\$664,227,967	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	7.23	11.49	14.03	12.31	12.13	22
Com. Stock Dividends as a % of Earnings		130.5%	137.5%			23
Return on Common Equity	4.7%	7.3%	8.3%	6.8%	6.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	545.6%	863.2%	501.4%	-26130.3%	192.6%	25
CWIP as a % of Plant	0.5%	0.7%	1.4%	1.2%	1.0%	26

Current Assets	117,601,818	83,614,552	88,732,690	95,731,712	98,866,336
Current Liabilities	50,549,785	52,680,812	84,614,450	48,661,833	53,955,883
Total Capitalization	706,245,103	673,900,736	689,078,648	710,896,174	664,227,967
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	706,245,103	673,900,736	689,078,648	710,896,174	664,227,967
Short-Term Debt					
Pretax Income	59,288,507	85,323,377	94,197,545	74,549,505	66,135,424
Interest Expense	8,203,246	7,428,441	6,713,539	6,057,574	5,450,748
Common Dividends Paid		65,000,000	80,000,000		
Net Income (Excl. Preferred Stock Dividends)	32,344,367	49,822,091	58,182,474	46,668,206	39,856,581
Internal Cash	101,140,354	133,101,079	189,430,541	103,646,504	82,067,677
Cash Outflows for Construction	(18,536,055)	(15,420,113)	(37,780,577)	396,653	(42,603,562)
CWIP	7,956,050	10,738,344	20,759,589	16,771,092	13,638,941
Total Plant	1,477,756,363	1,463,135,558	1,447,829,751	1,420,548,003	1,400,353,222
Shares Outstanding					
Number of Employees	525	608	723	904	943

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$534,901	\$496,690	\$366,434	\$701,128	\$580,184	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	730,717	812,996	1,021,071	962,393	1,028,726	2
Changes in Deferred Income Taxes	(70,452)	10,259	(166,419)	(64,172)	(114,086)	3
Changes in Working Capital	317,509	28,242	(260,831)	(52,447)	71,087	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	977,774	851,497	593,821	845,774	985,727	7
Net Cash Provided From Operating Activities	<u>1,512,675</u>	<u>1,348,187</u>	<u>960,255</u>	<u>1,546,902</u>	<u>1,565,911</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,015,746)	(793,300)	(767,809)	(797,012)	(1,033,387)	9
Purchase of Other Investments						10
Sale of Other Investments			6,500		11,495	11
Other	(17,366)			(4,413)	(2,423)	12
Net Cash Provided From Investing Activities	<u>(1,033,112)</u>	<u>(793,300)</u>	<u>(761,309)</u>	<u>(801,425)</u>	<u>(1,024,315)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock	(360,000)	(384,000)	(384,000)	(448,000)	(776,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	33,341	(119,940)	129,829	(34,346)	(140,801)	19
Net Cash Provided From Financing Activities	<u>(326,659)</u>	<u>(503,940)</u>	<u>(254,171)</u>	<u>(482,346)</u>	<u>(916,801)</u>	20
Net Increase (Decrease) in Cash & Equivalents	152,904	50,947	(55,225)	263,131	(375,205)	21
Cash & Equivalents at Beginning of Year	255,241	204,294	259,519	(3,612)	371,593	22
Cash & Equivalents at End of Year	\$408,145	\$255,241	\$204,294	\$259,519	(\$3,612)	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$4,643,978	\$4,572,331	\$4,604,023	\$5,024,413	\$5,220,752
2 Access Lines	6,799	7,190	7,457	7,874	8,503
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,851,425	\$1,806,761	\$1,748,794	\$1,882,512	\$2,113,360
4 Depreciation and Amortization	730,717	812,996	1,021,071	962,393	1,028,726
5 Other Operations Expense	1,230,100	1,235,350	1,222,218	1,173,783	1,222,274
6 Total Operation Expenses	3,812,242	3,855,107	3,992,083	4,018,688	4,364,360
7 Income Taxes - Operating Taxes	88,849	51,491	65,323	206,237	170,653
8 Other Taxes - Operating Taxes	261,936	245,372	170,535	246,202	271,555
9 Capital Costs	480,951	420,361	376,082	553,286	414,184
10 Total	\$4,643,978	\$4,572,331	\$4,604,023	\$5,024,413	\$5,220,752
PERCENT OF REVENUES					
11 Wages and Benefits	39.9	39.5	38.0	37.5	40.5
12 Depreciation and Amortization	15.7	17.8	22.2	19.2	19.7
13 Other Operations Expense	26.5	27.0	26.5	23.4	23.4
14 Income Taxes - Operating Taxes	1.9	1.1	1.4	4.1	3.3
15 Other Taxes - Operating Taxes	5.6	5.4	3.7	4.9	5.2
16 Capital Costs	10.4	9.2	8.2	11.0	7.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	272.31	251.29	234.52	239.08	248.54
19 Depreciation and Amortization	107.47	113.07	136.93	122.22	120.98
20 Other Operations Expense	180.92	171.82	163.90	149.07	143.75
21 Income Taxes - Operating Taxes	13.07	7.16	8.76	26.19	20.07
22 Other Taxes - Operating Taxes	38.53	34.13	22.87	31.27	31.94
23 Capital Costs	70.74	58.46	50.43	70.27	48.71
24 Total	683.04	635.93	617.41	638.10	613.99

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,296,676	\$2,098,527	\$2,075,991	\$2,059,658	\$1,996,805	1
Central Office Assets	6,665,813	6,729,684	6,555,628	6,299,225	6,059,878	2
Information Origination/Termination	1,621,987	333,945	333,945	333,945	333,945	3
Cable And Wire Facilities	9,670,764	9,267,322	8,738,879	8,271,806	7,804,070	4
Amortizable Assets						5
Total Plant In Service	20,255,240	18,429,478	17,704,443	16,964,634	16,194,698	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	189,052	1,037,715	969,450	969,450	946,913	11
Goodwill						12
Total Telecommunications Plant	20,444,292	19,467,193	18,673,893	17,934,084	17,141,611	13
Less Acc. Prov. For Depreciation & Amort.	15,855,505	15,180,801	14,367,805	13,368,234	12,414,793	14
Net Total Utility Plant	\$4,588,787	\$4,286,392	\$4,306,088	\$4,565,850	\$4,726,818	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.26	11.65	13.95	4.62	3.73	16
Total Capitalization	\$4,639,465	\$4,487,046	\$4,554,539	\$4,849,774	\$4,596,646	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	17822.43	9137.35	7196.95	1418.76	418.13	22
Com. Stock Dividends as a % of Earnings	67.3%	77.3%	104.8%	63.9%	133.8%	23
Return on Common Equity	11.7%	11.0%	7.8%	14.8%	12.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	148.9%	169.9%	125.1%	194.1%	151.5%	25
CWIP as a % of Plant						26

Current Assets	1,198,595	1,159,768	1,070,475	1,195,039	913,204
Current Liabilities	368,200	99,532	76,748	258,760	244,661
Total Capitalization	4,639,465	4,487,046	4,554,539	4,849,774	4,596,646
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,639,465	4,487,046	4,554,539	4,849,774	4,596,646
Short-Term Debt					
Pretax Income	623,785	548,241	431,817	908,005	752,637
Interest Expense	35	60	60	640	1,800
Common Dividends Paid	360,000	384,000	384,000	448,000	776,000
Net Income (Excl. Preferred Stock Dividends)	534,901	496,690	366,434	701,128	580,184
Internal Cash	1,512,675	1,348,187	960,255	1,546,902	1,565,911
Cash Outflows for Construction	(1,015,746)	(793,300)	(767,809)	(797,012)	(1,033,387)
CWIP					
Total Plant	20,444,292	19,467,193	18,673,893	17,934,084	17,141,611
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	25	26	25	25	26

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$2,911,273	2,298,751	\$5,182,383	\$9,622,378	\$9,512,287	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	899,773	1,279,172	1,823,488	3,962,525	4,072,228	2
Changes in Deferred Income Taxes	692,586	0	811,281	(439,480)	(330,534)	3
Changes in Working Capital	47,224	1,976,709	3,635,075	2,630	(863,902)	4
Capitalized AFDC - Equity	0	0	0			5
Other	(3,814,218)	(290,194)	1,222,065	(1,097,505)	(403,655)	6
Total Non-Cash Items	(2,174,635)	2,965,687	7,491,910	2,428,170	2,474,137	7
Net Cash Provided From Operating Activities	<u>736,638</u>	<u>5,264,438</u>	<u>12,674,293</u>	<u>12,050,547</u>	<u>11,986,424</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(736,638)	(2,156,247)	(311,256)	(2,411,514)	(1,716,643)	9
Purchase of Other Investments		0				10
Sale of Other Investments						11
Other			1,312,055	(868,024)	(547,906)	12
Net Cash Provided From Investing Activities	<u>(736,638)</u>	<u>(2,156,247)</u>	<u>1,000,799</u>	<u>(3,279,538)</u>	<u>(2,264,549)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(4,556,640)	17
Dividends Paid		(3,115,000)	(13,908,755)	(8,715,000)	(5,405,000)	18
Other Financing		7,029				19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(3,107,971)</u>	<u>(13,908,755)</u>	<u>(8,715,000)</u>	<u>(9,961,640)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	220	(233,664)	56,010	(239,765)	21
Cash & Equivalents at Beginning of Year	1,220	1,000	234,664	178,654	418,419	22
Cash & Equivalents at End of Year	\$1,220	\$1,220	\$1,000	\$234,664	\$178,654	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$17,171,217	\$18,006,670	\$18,239,042	\$19,751,231	\$20,355,459
2 Access Lines	23,105	22,572	26,277	25,547	26,524
DOLLAR AMOUNTS					
3 Wages and Benefits	3,634,114	\$4,006,112	\$3,998,105	\$4,250,902	\$4,337,443
4 Depreciation and Amortization	2,631,331	2,769,964	2,666,490	4,169,811	4,072,228
5 Other Operations Expense	8,129,985	7,672,752	8,381,760	7,796,177	7,664,310
6 Total Operation Expenses	14,395,430	14,448,828	15,046,355	16,216,890	16,073,981
7 Income Taxes - Operating Taxes	1,681,348	1,159,138	1,638,229	1,513,451	1,135,841
8 Other Taxes - Operating Taxes	742,623	836,535	830,974	844,518	882,004
9 Capital Costs	351,816	1,562,169	723,484	1,176,372	\$2,263,632
10 Total	\$17,171,217	\$18,006,670	\$18,239,042	\$19,751,231	\$20,355,459
PERCENT OF REVENUES					
11 Wages and Benefits	21.2	22.2	21.9	21.5	21.3
12 Depreciation and Amortization	15.3	15.4	14.6	21.1	20.0
13 Other Operations Expense	47.3	42.6	46.0	39.5	37.7
14 Income Taxes - Operating Taxes	9.8	6.4	9.0	7.7	5.6
15 Other Taxes - Operating Taxes	4.3	4.6	4.6	4.3	4.3
16 Capital Costs	2.0	8.7	4.0	6.0	11.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	157.29	177.48	152.15	166.40	163.53
19 Depreciation and Amortization	113.89	122.72	101.48	163.22	153.53
20 Other Operations Expense	351.87	339.92	318.98	305.17	288.96
21 Income Taxes - Operating Taxes	72.77	51.35	62.34	59.24	42.82
22 Other Taxes - Operating Taxes	32.14	37.06	31.62	33.06	33.25
23 Capital Costs	15.23	69.21	27.53	46.05	85.34
24 Total	743.18	797.74	694.11	773.13	767.44

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$8,943,051	\$8,854,587	\$8,498,938	\$8,307,203	\$7,998,543	1
Central Office Assets	28,656,337	28,134,712	27,838,776	27,854,149	26,636,461	2
Information Origination/Termination	1,465	1,465	1,465	1,465	1,465	3
Cable And Wire Facilities	32,987,982	32,481,297	32,025,164	30,987,500	30,508,196	4
Amortizable Assets	0					5
Total Plant In Service	70,588,835	69,472,061	68,364,343	67,150,317	65,144,664	6
Property Held For Future Use	10,665	10,664	11,175	11,175	11,175	7
Plant Under Construction	652,450	1,181,966	576,385	1,479,155	1,073,296	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	349,300	349,300	351,026	351,026	351,026	11
Goodwill						12
Total Telecommunications Plant	71,601,250	71,013,991	69,302,929	68,991,673	66,580,161	13
Less Acc. Prov. For Depreciation & Amort.	51,158,089	50,407,696	49,554,744	47,731,255	43,768,731	14
Net Total Utility Plant	\$20,443,160	\$20,606,296	\$19,748,185	\$21,260,417	\$22,811,429	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.20	0.96	1.19	1.94	4.22	16
Total Capitalization	\$19,837,397	\$21,031,124	\$20,630,994	\$29,357,367	\$28,462,488	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	35.06	36.05	92.62	136.81	71.08	22
Com. Stock Dividends as a % of Earnings	-408.5%	-302.2%	268.4%	90.6%	56.7%	23
Return on Common Equity	4.9%	7.4%	20.7%	33.3%	36.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	244.1%	4070.7%	499.6%	699.0%	25
CWIP as a % of Plant	0.9%	1.7%	0.1%	2.1%	1.6%	26

Current Assets	6,787,293	7,880,576	4,628,293	9,514,319	6,041,879
Current Liabilities	5,650,436	8,207,381	3,874,807	4,909,089	1,431,120
Total Capitalization	19,837,397	21,031,124	20,630,994	29,357,367	28,462,488
Long-Term Debt	0				
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	19,837,397	21,031,124	20,630,994	29,357,367	28,462,488
Short-Term Debt	0				
Pretax Income	2,009,600	2,710,263	8,588,416	14,132,716	14,476,751
Interest Expense	57,317	75,184	92,723	103,298	203,659
Common Dividends Paid	(4,105,000)	(4,628,000)	13,908,755	8,715,000	5,405,000
Net Income (Excl. Preferred Stock Dividends)	1,004,978	1,531,482	5,182,471	9,622,378	9,524,786
Internal Cash	736,637	5,264,438	12,670,384	12,049,047	11,998,923
Cash Outflows for Construction	(736,638)	(2,156,247)	(311,256)	(2,411,513)	(1,716,643)
CWIP	652,450	1,181,966	576,385	1,479,155	1,073,296
Total Plant	71,601,254	71,013,991	693,029,828	68,991,673	66,580,161
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	60	66	68	76	74

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$223,997)	\$732,667	(\$274,419)	\$528,118	\$239,371	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,022,736	1,206,825	1,212,965	1,007,695	767,897	2
Changes in Deferred Income Taxes	(134,059)	429,797	51,215	(442,719)	28,317	3
Changes in Working Capital	121,741	50,669	86,359	350,355	(160,412)	4
Capitalized AFDC - Equity	0					5
Other	7,855	(1,449,856)	(80,925)	1,197,950	(73,425)	6
Total Non-Cash Items	1,018,273	237,435	1,269,614	2,113,281	562,377	7
Net Cash Provided From Operating Activities	<u>794,276</u>	<u>970,102</u>	<u>995,195</u>	<u>2,641,399</u>	<u>801,748</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(315,631)	(562,349)	(611,115)	(826,828)	(858,448)	9
Purchase of Other Investments	0					10
Sale of Other Investments	(77,489)	(106,627)	(131,639)	35,384	(56,942)	11
Other	0					12
Net Cash Provided From Investing Activities	<u>(393,120)</u>	<u>(668,976)</u>	<u>(742,754)</u>	<u>(791,444)</u>	<u>(915,390)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt					(3,275,703)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(349,000)			(1,000)	18
Other Financing	(13,048)	(57,117)	(3,053)	(1,724)	3,581,910	19
Net Cash Provided From Financing Activities	<u>(13,048)</u>	<u>(406,117)</u>	<u>(3,053)</u>	<u>(1,724)</u>	<u>305,207</u>	20
Net Increase (Decrease) in Cash & Equivalents	388,108	(104,991)	249,388	1,848,231	191,565	21
Cash & Equivalents at Beginning of Year	2,234,501	2,339,492	2,090,104	241,873	50,308	22
Cash & Equivalents at End of Year	\$2,622,609	\$2,234,501	\$2,339,492	\$2,090,104	\$241,873	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$3,299,414	\$3,526,705	\$3,776,815	\$3,840,479	\$4,218,044
2 Access Lines	3,671	4,110	4,734	5,353	5,586
DOLLAR AMOUNTS					
3 Wages and Benefits	444,855	\$505,491	\$606,140	\$543,825	\$649,054
4 Depreciation and Amortization	1,022,736	1,206,705	1,227,592	1,007,695	767,537
5 Other Operations Expense	2,015,449	1,944,404	2,189,397	2,167,923	2,137,071
6 Total Operation Expenses	3,483,040	3,656,600	4,023,129	3,719,443	3,553,662
7 Income Taxes - Operating Taxes	(126,903)	(93,686)	(188,999)	(38,098)	96,525
8 Other Taxes - Operating Taxes	179,243	212,054	206,135	217,399	237,022
9 Capital Costs	(235,966)	(248,263)	(263,450)	(58,265)	330,835
10 Total	\$3,299,414	\$3,526,705	\$3,776,815	\$3,840,479	\$4,218,044
PERCENT OF REVENUES					
11 Wages and Benefits	13.5	14.3	16.0	14.2	15.4
12 Depreciation and Amortization	31.0	34.2	32.5	26.2	18.2
13 Other Operations Expense	61.1	55.1	58.0	56.4	50.7
14 Income Taxes - Operating Taxes	(3.8)	(2.7)	(5.0)	(1.0)	2.3
15 Other Taxes - Operating Taxes	5.4	6.0	5.5	5.7	5.6
16 Capital Costs	(7.2)	(7.0)	(7.0)	(1.5)	7.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	121.18	122.99	128.04	101.59	116.19
19 Depreciation and Amortization	278.60	293.60	259.31	188.25	137.40
20 Other Operations Expense	549.02	473.09	462.48	404.99	382.58
21 Income Taxes - Operating Taxes	(34.57)	(22.79)	(39.92)	(7.12)	17.28
22 Other Taxes - Operating Taxes	48.83	51.59	43.54	40.61	42.43
23 Capital Costs	(64.28)	(60.40)	(55.65)	(10.88)	59.23
24 Total	898.78	858.08	797.81	717.44	755.11

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,329,878	\$1,387,121	\$1,399,083	\$1,341,898	\$1,404,877	1
Central Office Assets	7,252,023	7,612,095	7,579,813	7,145,550	6,942,166	2
Information Origination/Termination	0	2,157	24,162	27,338	27,647	3
Cable And Wire Facilities	9,642,479	9,538,912	9,409,671	9,243,172	8,870,356	4
Amortizable Assets	135,531	171,183	153,593	220,972	259,944	5
Total Plant In Service	18,359,911	18,711,468	18,566,322	17,978,930	17,504,990	6
Property Held For Future Use						7
Plant Under Construction	52,932	79,807	82,751	281,582	208,360	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	18,418,292	18,796,724	18,654,522	18,265,961	17,718,799	13
Less Acc. Prov. For Depreciation & Amort.	10,421,373	10,170,192	9,490,141	8,631,366	8,038,403	14
Net Total Utility Plant	\$7,996,919	\$8,626,532	\$9,164,381	\$9,634,595	\$9,680,396	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.46	6.08	5.36	6.18	2.40	16
Total Capitalization	\$8,599,469	\$8,751,925	\$8,425,375	\$8,702,847	\$8,253,483	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.1%	0.2%	0.2%	0.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	99.9%	99.8%	99.7%	99.6%	99.8%	20
Short-Term Debt	0.0%	0.1%	0.2%	0.3%	0.0%	21
Pretax Coverage of Interest Expense	-401.52	-15.46	-3.86	64.69	4.21	22
Com. Stock Dividends as a % of Earnings	0.0%	47.6%	0.0%	0.0%	0.4%	23
Return on Common Equity	-2.6%	8.6%	-3.2%	6.2%	3.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	251.6%	172.5%	162.8%	319.5%	93.4%	25
CWIP as a % of Plant	0.3%	0.4%	0.4%	1.5%	1.2%	26

Current Assets	3,248,960	2,853,568	3,239,578	2,959,969	1,700,545
Current Liabilities	595,586	469,271	604,342	478,761	708,506
Total Capitalization	8,599,469	8,751,925	8,425,375	8,702,847	8,253,483
Long-Term Debt	855	4,511	14,140	13,350	15,074
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,594,958	8,734,366	8,398,255	8,667,141	8,238,409
Short-Term Debt	3,656	13,048	12,980	22,356	0
Pretax Income	(343,698)	1,121,578	(340,732)	825,718	464,323
Interest Expense	856	(72,547)	88,373	12,765	110,195
Common Dividends Paid	0	349,000			1,000
Net Income (Excl. Preferred Stock Dividends)	(223,997)	732,667	(274,419)	528,118	239,371
Internal Cash	794,276	970,102	995,195	2,641,399	801,748
Cash Outflows for Construction	(315,631)	(562,349)	(611,115)	(826,828)	(858,448)
CWIP	52,932	79,807	82,751	281,582	208,360
Total Plant	18,418,292	18,796,724	18,654,522	18,265,961	17,718,799
Shares Outstanding	100	100	100	100	100
Number of Employees	5	7	10	11	11

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	(\$181,489)	\$110,615	\$111,430	\$260,951	\$280,700	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,077,815	1,033,417	1,271,563	1,105,255	1,168,124	2
Changes in Deferred Income Taxes	22,633	162,862	(154,958)	(39,609)	(205,450)	3
Changes in Working Capital	(431,203)	395,312	1,183,659	350,207	647,768	4
Capitalized AFDC - Equity						5
Other	477,327	98,481	(765,238)	(339,067)	(79,416)	6
Total Non-Cash Items	1,146,572	1,690,072	1,535,026	1,076,786	1,531,026	7
Net Cash Provided From Operating Activities	<u>965,083</u>	<u>1,800,687</u>	<u>1,646,456</u>	<u>1,337,737</u>	<u>1,811,726</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(397,545)	(524,783)	(894,143)	(2,036,776)	(1,339,432)	9
Purchase of Other Investments	(1,309,587)	(2,353,102)	(3,702,143)	(3,422,123)	(1,879,562)	10
Sale of Other Investments	1,223,054	1,894,938	3,363,481	2,248,788	1,873,633	11
Other	243,942	(707,816)	(1,309,318)			12
Net Cash Provided From Investing Activities	<u>(240,136)</u>	<u>(1,690,763)</u>	<u>(2,542,123)</u>	<u>(3,210,111)</u>	<u>(1,345,361)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(648,522)	(392,543)	(451,021)	1,142,857		14
Common Stock						15
Preferred Stock						16
Short-Term Debt			(10,833)	30,758	17,130	17
Dividends Paid	(53,749)	(53,559)	(69,223)	(69,463)	(69,286)	18
Other Financing	(7,642)	(182,944)	(239,570)	(174,784)	(130,067)	19
Net Cash Provided From Financing Activities	<u>(709,913)</u>	<u>(629,046)</u>	<u>(770,647)</u>	<u>1,652,147</u>	<u>13,601</u>	20
Net Increase (Decrease) in Cash & Equivalents	15,034	(519,122)	(1,666,314)	(220,227)	479,966	21
Cash & Equivalents at Beginning of Year	1,181,920	1,701,042	3,367,356	3,587,583	3,107,618	22
Cash & Equivalents at End of Year	\$1,196,954	\$1,181,920	\$1,701,042	\$3,367,356	\$3,587,583	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$5,630,624	\$5,459,150	\$5,538,251	\$5,328,024	\$5,614,342
2 Access Lines	4,752	5,273	5,680	6,166	6,804
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,555,512	\$1,492,766	\$1,549,697	\$1,306,470	\$1,898,875
4 Depreciation and Amortization	1,090,497	1,031,017	1,269,163	1,102,855	1,165,724
5 Other Operations Expense	2,103,118	2,136,200	2,299,170	2,204,386	2,090,239
6 Total Operation Expenses	4,749,127	4,659,983	5,118,030	4,613,711	5,154,839
7 Income Taxes - Operating Taxes	145,383	50,905	(128,850)	(26,654)	(66,516)
8 Other Taxes - Operating Taxes	424,008	420,063	397,785	401,583	392,151
9 Capital Costs	312,106	328,199	151,286	339,384	133,870
10 Total	\$5,630,624	\$5,459,150	\$5,538,251	\$5,328,024	\$5,614,342
PERCENT OF REVENUES					
11 Wages and Benefits	27.6	27.3	28.0	24.5	33.8
12 Depreciation and Amortization	19.4	18.9	22.9	20.7	20.8
13 Other Operations Expense	37.4	39.1	41.5	41.4	37.2
14 Income Taxes - Operating Taxes	2.6	0.9	(2.3)	(0.5)	(1.2)
15 Other Taxes - Operating Taxes	7.5	7.7	7.2	7.5	7.0
16 Capital Costs	5.5	6.0	2.7	6.4	2.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	327.34	283.10	272.83	211.88	279.08
19 Depreciation and Amortization	229.48	195.53	223.44	178.86	171.33
20 Other Operations Expense	442.58	405.12	404.78	357.51	307.21
21 Income Taxes - Operating Taxes	30.59	9.65	(22.68)	(4.32)	(9.78)
22 Other Taxes - Operating Taxes	89.23	79.66	70.03	65.13	57.64
23 Capital Costs	65.68	62.24	26.63	55.04	19.68
24 Total	1,184.90	1,035.30	975.04	864.10	825.15

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

	2009	2008	2007	2006		
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,360,382	\$2,334,434	\$2,318,118	\$2,244,544	\$2,050,613	1
Central Office Assets	9,358,752	9,669,033	8,824,262	8,421,135	8,301,308	2
Information Origination/Termination	143,268	131,019	132,922	133,352	130,752	3
Cable And Wire Facilities	13,198,659	13,113,885	12,894,200	12,506,789	11,965,530	4
Amortizable Assets						5
Total Plant In Service	25,061,061	25,248,371	24,169,501	23,305,820	22,448,203	6
Property Held For Future Use						7
Plant Under Construction	89,557	176,176	730,694	884,072	251,713	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	25,150,618	25,424,547	24,900,195	24,189,892	22,699,916	13
Less Acc. Prov. For Depreciation & Amort.	14,784,017	14,207,800	13,315,881	12,326,395	11,402,782	14
Net Total Utility Plant	\$10,366,601	\$11,216,747	\$11,584,314	\$11,863,497	\$11,297,134	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.01	0.76	1.01	1.99	2.02	16
Total Capitalization	\$15,228,164	\$15,508,824	\$16,114,257	\$16,951,500	\$15,403,590	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	13.1%	15.4%	17.3%	19.4%	13.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	82.1%	79.2%	77.6%	76.0%	81.2%	20
Short-Term Debt	4.8%	5.3%	5.1%	4.7%	4.9%	21
Pretax Coverage of Interest Expense	0.19	1.68	2.05	2.82	3.37	22
Com. Stock Dividends as a % of Earnings	-29.6%	45.2%	62.1%	26.6%	24.7%	23
Return on Common Equity	-1.5%	1.0%	0.9%	2.1%	2.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	242.8%	343.1%	184.1%	65.7%	135.3%	25
CWIP as a % of Plant	0.4%	0.7%	2.9%	3.7%	1.1%	26

Current Assets	3,532,927	2,493,551	3,486,400	4,920,137	4,878,140
Current Liabilities	3,510,034	3,298,939	3,468,062	2,466,799	2,419,811
Total Capitalization	15,228,164	15,508,824	16,114,257	16,951,500	15,403,590
Long-Term Debt	1,994,896	2,393,876	2,792,856	3,285,714	2,142,857
Preferred Stock		-			
Common Stock and Retained Earnings (Excl. Preferred Stock)	12,504,758	12,288,749	12,501,639	12,877,028	12,502,733
Short-Term Debt	728,510	826,199	819,762	788,758	758,000
Pretax Income	27,379	368,194	530,006	624,183	477,389
Interest Expense	142,750	218,671	258,543	221,013	141,699
Common Dividends Paid	53,747	53,559	69,224	69,464	69,286
Net Income (Excl. Preferred Stock Dividends)	(181,489)	118,614	111,430	260,951	280,700
Internal Cash	965,083	1,800,687	1,646,456	1,337,737	1,811,726
Cash Outflows for Construction	(397,545)	(524,783)	(894,143)	(2,036,776)	(1,339,432)
CWIP	89,557	176,176	730,694	884,072	251,713
Total Plant	25,150,618	25,424,547	24,900,195	24,189,892	22,699,916
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	19	21	22	20	18

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$2,089	(\$16,925)	(\$101,212)	\$34,019	(\$8,672)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	524,127	535,205	532,657	530,156	525,353	2
Changes in Deferred Income Taxes	(23,641)	59,678	(1,615)	(8,180)	14,748	3
Changes in Working Capital	(80,847)	25,440	183,529	(93,411)	124,630	4
Capitalized AFDC - Equity	0	0	0			5
Other	(6,197)	(113,364)	(28,965)	95,900	(10,489)	6
Total Non-Cash Items	413,442	506,959	685,606	524,465	654,242	7
Net Cash Provided From Operating Activities	<u>415,531</u>	<u>490,034</u>	<u>584,394</u>	<u>558,484</u>	<u>645,570</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(90,460)	(135,761)	(206,377)	(260,072)	(335,781)	9
Purchase of Other Investments	0	0	0			10
Sale of Other Investments	17,171	4,866	13,311	(363)	(36,083)	11
Other	0		0			12
Net Cash Provided From Investing Activities	<u>(73,289)</u>	<u>(130,895)</u>	<u>(193,066)</u>	<u>(260,435)</u>	<u>(371,864)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(2,123,062)	17
Dividends Paid						18
Other Financing	(2,347)	48,733	4,778	(10,194)	1,725,805	19
Net Cash Provided From Financing Activities	<u>(2,347)</u>	<u>48,733</u>	<u>4,778</u>	<u>(10,194)</u>	<u>(397,257)</u>	20
Net Increase (Decrease) in Cash & Equivalents	339,895	407,872	396,106	287,855	(123,551)	21
Cash & Equivalents at Beginning of Year	1,180,981	773,109	377,003	89,148	212,699	22
Cash & Equivalents at End of Year	\$1,520,876	\$1,180,981	\$773,109	\$377,003	\$89,148	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$1,884,933	\$1,907,394	\$2,018,520	\$2,257,563	\$2,285,159
2 Access Lines	2,088	2,298	2,484	2,621	2,688
DOLLAR AMOUNTS					
3 Wages and Benefits	\$319,951	\$456,757	\$511,094	\$557,772	\$510,271
4 Depreciation and Amortization	524,127	535,205	538,834	529,655	525,353
5 Other Operations Expense	961,598	931,511	1,077,029	1,070,867	1,091,284
6 Total Operation Expenses	1,805,676	1,923,473	2,126,957	2,158,294	2,126,908
7 Income Taxes - Operating Taxes	(2,167)	(43,999)	(81,936)	(36,631)	(24,254)
8 Other Taxes - Operating Taxes	86,730	112,602	111,606	132,097	138,543
9 Capital Costs	(5,306)	(84,682)	(138,107)	3,803	43,962
10 Total	\$1,884,933	\$1,907,394	\$2,018,520	\$2,257,563	\$2,285,159
PERCENT OF REVENUES					
11 Wages and Benefits	17.0	23.9	25.3	24.7	22.3
12 Depreciation and Amortization	27.8	28.1	26.7	23.5	23.0
13 Other Operations Expense	51.0	48.8	53.4	47.4	47.8
14 Income Taxes - Operating Taxes	(0.1)	(2.3)	(4.1)	(1.6)	(1.1)
15 Other Taxes - Operating Taxes	4.6	5.9	5.5	5.9	6.1
16 Capital Costs	(0.3)	(4.4)	(6.8)	0.2	1.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	153.23	198.76	205.75	212.81	189.83
19 Depreciation and Amortization	251.02	232.90	216.92	202.08	195.44
20 Other Operations Expense	460.54	405.36	433.59	408.57	405.98
21 Income Taxes - Operating Taxes	(1.04)	(19.15)	(32.99)	(13.98)	(9.02)
22 Other Taxes - Operating Taxes	41.54	49.00	44.93	50.40	51.54
23 Capital Costs	(2.54)	(36.85)	(55.60)	1.45	16.35
24 Total	902.75	830.02	812.61	861.34	850.13

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$871,605	\$929,421	\$973,563	\$938,099	\$919,818	1
Central Office Assets	3,070,988	3,049,838	3,028,720	2,880,118	2,702,074	2
Information Origination/Termination	0	1,632	7,106	7,933	11,122	3
Cable And Wire Facilities	4,211,027	4,191,840	4,218,460	4,174,989	4,150,954	4
Amortizable Assets	129,160	167,667	194,242	217,526	1,963,061	5
Total Plant In Service	8,282,780	8,340,398	8,422,091	8,218,665	9,747,029	6
Property Held For Future Use						7
Plant Under Construction	3,054	46,459	2,142	18,551	12,334	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill	1,709,839	1,709,839	1,709,839	1,709,839		12
Total Telecommunications Plant	9,995,673	10,096,696	10,134,072	9,947,055	9,759,363	13
Less Acc. Prov. For Depreciation & Amort.	5,580,663	5,230,848	4,863,914	4,337,306	3,899,045	14
Net Total Utility Plant	\$4,415,010	\$4,865,848	\$5,270,158	\$5,609,749	\$5,860,318	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.66	4.54	3.41	2.69	1.51	16
Total Capitalization	\$5,103,119	\$5,006,512	\$4,974,704	\$5,071,138	\$5,128,901	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.1%	0.0%	0.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	99.9%	99.9%	99.8%	99.8%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.2%	0.0%	21
Pretax Coverage of Interest Expense	19.33	8.72	-31.32	34.78	0.58	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	0.0%	-0.3%	-2.0%	0.7%	-0.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	459.4%	361.0%	283.2%	214.7%	192.3%	25
CWIP as a % of Plant	0.0%	0.5%	0.0%	0.2%	0.1%	26

Current Assets	1,970,341	1,426,060	1,120,091	881,566	572,588
Current Liabilities	422,383	314,105	328,390	327,434	379,337
Total Capitalization	5,103,119	5,006,512	4,974,704	5,071,138	5,128,901
Long-Term Debt	0	978	3,327		8,495
Preferred Stock	0				
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,102,140	5,003,186	4,969,028	5,062,643	5,120,406
Short-Term Debt	979	2,348	2,349	8,495	
Pretax Income	3,614	(25,468)	(158,719)	14,293	38,771
Interest Expense	187	(2,919)	5,067	411	66,312
Common Dividends Paid	0				
Net Income (Excl. Preferred Stock Dividends)	2,089	(16,925)	(101,212)	34,019	(8,672)
Internal Cash	415,531	490,034	584,394	558,484	645,570
Cash Outflows for Construction	(90,460)	(135,761)	(206,377)	(260,072)	(335,781)
CWIP	3,054	46,459	2,142	18,551	12,334
Total Plant	9,995,673	10,096,696	10,134,072	9,947,055	9,759,363
Shares Outstanding	100	100	100	100	100
Number of Employees	4	6	7	7	8

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

	2009	2008	2007	2006	2005	
Cash Flows from Operating Activities						
Net Income	\$6,670,336	\$5,815,185	\$5,491,901	\$3,997,479	\$5,169,814	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	4,119,302	4,026,362	3,811,361	3,601,255	3,757,256	2
Changes in Deferred Income Taxes	(67,594)	(884,312)	(404,678)	4,049,316	2,843,912	3
Changes in Working Capital	(2,492,055)	(2,527,910)	1,243,592	4,205,162	(3,994,699)	4
Capitalized AFDC - Equity			(69,380)	(16,772)	(11,645)	5
Other	(19,413,453)	(16,448,130)	(11,330,945)	(10,775,145)	(11,425,614)	6
Total Non-Cash Items	(17,853,800)	(15,833,990)	(6,750,050)	1,063,816	(8,830,790)	7
Net Cash Provided From Operating Activities	<u>(11,183,464)</u>	<u>(10,018,805)</u>	<u>(1,258,149)</u>	<u>5,061,295</u>	<u>(3,660,976)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,150,805)	(1,581,754)	(3,207,296)	(3,899,699)	(1,922,110)	9
Purchase of Other Investments	(1,487,000)				(237,500)	10
Sale of Other Investments		21,641	(4,113,253)	610,910	888,976	11
Other	12,586,033	10,357,057	9,023,273	9,150,000	9,975,000	12
Net Cash Provided From Investing Activities	<u>9,948,228</u>	<u>8,796,944</u>	<u>1,702,724</u>	<u>5,861,211</u>	<u>8,704,366</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,518,632)	(1,518,632)	(1,518,633)			14
Common Stock	128,877	34,532			(1,149,500)	15
Preferred Stock						16
Short-Term Debt					(1,518,633)	17
Dividends Paid	4,710,742	4,264,024	(4,306,424)	(9,658,204)	(4,306,424)	18
Other Financing				(1,518,647)		19
Net Cash Provided From Financing Activities	<u>3,320,987</u>	<u>2,779,924</u>	<u>(5,825,057)</u>	<u>(11,176,851)</u>	<u>(6,974,557)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,085,751	1,558,063	(5,380,482)	(254,345)	(1,931,167)	21
Cash & Equivalents at Beginning of Year	7,198,680	5,640,617	11,021,099	11,275,444	13,206,612	22
Cash & Equivalents at End of Year	\$9,284,431	\$7,198,680	\$5,640,617	\$11,021,099	\$11,275,444	23

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

	2009	2008	2007	2006	2005
1 Revenues	\$15,629,802	\$16,776,938	\$17,484,774	\$18,425,025	\$20,021,382
2 Access Lines	17,605	19,503	22,031	23,718	26,415
DOLLAR AMOUNTS					
3 Wages and Benefits	\$7,292,158	\$7,415,792	\$7,676,512	\$7,969,906	\$8,597,091
4 Depreciation and Amortization	4,106,702	4,001,162	3,798,761	3,590,189	3,744,436
5 Other Operations Expense	6,056,679	6,406,684	6,557,286	9,606,207	9,350,835
6 Total Operation Expenses	17,455,539	17,823,638	18,032,559	21,166,301	21,692,362
8 Income Taxes - Operating Taxes	2,885,656	2,782,178	2,636,907	(220,924)	(1,047,738)
9 Other Taxes - Operating Taxes	1,233,719	1,165,936	1,159,006	1,033,862	1,281,462
10 Capital Costs	(5,945,111)	(4,994,814)	(4,343,698)	(3,554,214)	(\$1,904,704)
11 Total	\$15,629,802	\$16,776,938	\$17,484,774	\$18,425,025	\$20,021,382
PERCENT OF REVENUES					
12 Wages and Benefits	46.7	44.2	43.9	43.3	42.9
13 Depreciation and Amortization	26.3	23.8	21.7	19.5	18.7
14 Other Operations Expense	38.8	38.2	37.5	52.1	46.7
16 Income Taxes - Operating Taxes	18.5	16.6	15.1	(1.2)	(5.2)
17 Other Taxes - Operating Taxes	7.9	6.9	6.6	5.6	6.4
18 Capital Costs	(38.0)	(29.8)	(24.8)	(19.3)	(9.5)
19 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
20 Wages and Benefits	414.21	380.24	348.44	336.03	325.46
21 Depreciation and Amortization	233.27	205.16	172.43	151.37	141.75
22 Other Operations Expense	344.03	328.50	297.64	405.02	354.00
24 Income Taxes - Operating Taxes	163.91	142.65	119.69	(9.31)	(39.66)
25 Other Taxes - Operating Taxes	70.08	59.78	52.61	43.59	48.51
26 Capital Costs	(337.69)	(256.10)	(197.16)	(149.85)	(72.11)
27 Total	887.80	860.22	793.64	776.84	757.96

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

	2009	2008	2007	2006	2005	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$9,687,136	\$9,682,317	\$9,667,212	\$8,291,861	\$8,218,803	1
Central Office Assets	29,758,313	29,203,750	28,261,066	27,664,413	29,324,116	2
Information Origination/Termination	1,822,654	1,815,013	1,773,741	1,736,005	1,750,134	3
Cable And Wire Facilities	28,885,001	28,312,847	27,200,037	26,640,620	25,800,263	4
Amortizable Assets						5
Total Plant In Service	70,153,104	69,013,928	66,902,057	64,332,899	65,093,316	6
Property Held For Future Use						7
Plant Under Construction	180,357	144,105	834,026	56,296	56,296	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	70,333,461	69,158,033	67,736,082	64,389,195	65,149,612	13
Less Acc. Prov. For Depreciation & Amort.	42,975,607	38,831,682	34,977,723	31,685,617	32,196,983	14
Net Total Utility Plant	\$27,357,854	\$30,326,351	\$32,758,359	\$32,703,577	\$32,952,629	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.23	1.36	1.17	1.74	3.62	16
Total Capitalization	\$41,757,965	\$40,588,917	\$43,632,503	\$41,504,797	\$50,482,223	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	6.4%	10.3%	13.1%	17.4%	17.3%	18
Preferred Stock	1.2%	1.2%	1.1%	1.2%	1.0%	19
Common Stock & Retained Earnings	88.8%	84.7%	82.3%	77.8%	78.7%	20
Short-Term Debt	3.6%	3.7%	3.5%	3.7%	3.0%	21
Pretax Coverage of Interest Expense	98.21	78.67	13.61	8.51	13.53	22
Com. Stock Dividends as a % of Earnings	68.9%	74.1%	78.3%	242.5%	83.2%	23
Return on Common Equity	19.2%	16.5%	16.0%	11.0%	12.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-952.1%	-633.4%	-39.2%	162.5%	-190.5%	25
CWIP as a % of Plant	0.3%	0.2%	1.2%	0.1%	0.1%	26

Current Assets	36,669,468	27,195,490	19,297,696	20,453,496	24,452,916
Current Liabilities	29,701,338	20,064,421	16,482,468	11,723,058	6,764,107
Total Capitalization	41,757,965	40,588,917	43,632,503	41,504,797	50,482,223
Long-Term Debt	2,657,606	4,176,238	5,694,870	7,213,503	8,732,149
Preferred Stock	500,000	500,000	500,000	500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	37,081,726	34,394,046	35,919,000	32,272,662	39,731,441
Short-Term Debt	1,518,633	1,518,633	1,518,633	1,518,633	1,518,633
Pretax Income	9,883,674	8,708,052	8,722,292	6,762,540	8,469,890
Interest Expense	100,640	110,689	641,020	794,733	626,001
Common Dividends Paid	4,735,742	4,289,024	4,281,424	9,633,204	4,281,424
Net Income (Excl. Preferred Stock Dividends)	6,872,378	5,790,185	5,466,901	3,972,479	5,144,814
Internal Cash	(10,956,422)	(10,018,807)	(1,258,149)	6,335,832	(3,660,976)
Cash Outflows for Construction	(1,150,805)	(1,581,754)	(3,207,296)	(3,899,699)	(1,922,110)
CWIP	180,357	144,105	834,026	56,296	56,296
Total Plant	70,333,461	69,158,032	67,736,082	64,389,195	65,149,611
Shares Outstanding	59,908,000	5,985,463	5,985,463	5,985,463	5,985,463
Number of Employees	110	106	102	83	119