

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$580,355)	(\$143,898)	(\$204,325)	\$187,897	\$695,255	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,324,699	2,326,017	2,186,483	2,134,523	1,984,367	2
Changes in Deferred Income Taxes	116,800	276,386	(287,859)	555	(119,975)	3
Changes in Working Capital	802,393	(4,923,331)	271,576	63,530	139,371	4
Capitalized AFDC - Equity	(779,764)	(2,112)	(1,824)	(1,472)	(2,644)	5
Other	1,720,944	643,708	316,333	(175,157)	(48,264)	6
Total Non-Cash Items	4,185,072	(1,679,332)	2,484,710	2,021,979	1,952,855	7
Net Cash Provided From Operating Activities	3,604,717	(1,823,230)	2,280,385	2,209,876	2,648,110	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,361,831)	(2,880,368)	(2,639,303)	(2,582,165)	(2,375,501)	9
Purchase of Other Investments	(900,122)	427,044	190,212	(5,024)	(807)	10
Sale of Other Investments	1,067,965	1,157,375	89,180	8,486	67,787	11
Other	(889,376)	(128,042)	(24,701)	(886,216)	(247,195)	12
Net Cash Provided From Investing Activities	(2,083,363)	(1,423,991)	(2,384,613)	(3,464,919)	(2,555,716)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,101,950)	1,045,723	(394,193)	(83,518)	(36,763)	14
Common Stock	(14,522)	(8,551)	(861)	(4,200)	(11,235)	15
Preferred Stock	(27)	1,295	1,189	83	(279)	16
Short-Term Debt	(78,071)	2,406,512	843,135	1,440,721	355,545	17
Dividends Paid	(194,562)	(160,587)	(205,716)	(194,955)	(322,966)	18
Other Financing	(132,072)	(33,334)	(193,225)	18,094	(27,748)	19
Net Cash Provided From Financing Activities	(1,658,290)	3,273,998	223,014	1,180,237	(43,446)	20
Net Increase (Decrease) in Cash & Equivalents	(136,936)	26,777	118,786	(74,806)	48,948	21
Cash & Equivalents at Beginning of Year	611,349	584,572	465,786	540,591	491,643	22
Cash & Equivalents at End of Year	\$474,413	\$611,349	\$584,572	\$465,786	\$540,591	23

Table 5 T

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

	2003	2002	2001	2000	1999
1 Revenues	\$7,827,351	\$8,219,824	\$8,373,980	\$8,755,660	\$8,824,328
2 Access Lines	11,100,232	12,180,798	12,193,821	12,786,473	12,792,754
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,352,048	\$3,652,585	\$3,577,662	\$2,552,763	\$2,970,015
4 Depreciation and Amortization	2,289,236	2,329,899	2,189,365	2,140,978	1,987,658
5 Other Operations Expense	1,958,516	1,901,858	2,209,645	3,060,635	2,689,597
6 Total Operation Expenses	8,599,800	7,884,342	7,976,672	7,754,376	7,647,270
7 Income Taxes - Operating Taxes	(606,282)	(169,679)	(133,521)	143,140	108,440
8 Other Taxes - Operating Taxes	722,231	623,262	584,329	661,886	750,539
9 Capital Costs	(888,398)	(118,101)	(53,500)	196,258	318,078
10 Total	\$7,827,351	\$8,219,824	\$8,373,980	\$8,755,660	\$8,824,328
PERCENT OF REVENUES					
11 Wages and Benefits	55.6	44.4	42.7	29.2	33.7
12 Depreciation and Amortization	29.2	28.3	26.1	24.5	22.5
13 Other Operations Expense	25.0	23.1	26.4	35.0	30.5
14 Income Taxes - Operating Taxes	(7.7)	(2.1)	(1.6)	1.6	1.2
15 Other Taxes - Operating Taxes	9.2	7.6	7.0	7.6	8.5
16 Capital Costs	(11.3)	(1.4)	(0.6)	2.2	3.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	392.07	299.86	293.40	199.65	232.16
19 Depreciation and Amortization	206.23	191.28	179.55	167.44	155.37
20 Other Operations Expense	176.44	156.14	181.21	239.37	210.24
21 Income Taxes - Operating Taxes	(54.62)	(13.93)	(10.95)	11.19	8.48
22 Other Taxes - Operating Taxes	65.06	51.17	47.92	51.76	58.67
23 Capital Costs	(80.03)	(9.70)	(4.39)	15.35	24.86
24 Total	705.15	674.82	686.74	684.76	689.79

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,159,424.24	\$3,863,611.71	\$3,731,258.57	\$3,331,964.65	\$3,241,491.94	1
Central Office Assets	13,827,034	13,489,417	12,767,135	11,713,973	10,609,687	2
Information Origination/Termination	608,609	672,567	785,165	814,518	766,264	3
Cable And Wire Facilities	12,927,173	12,424,730	11,817,724	11,271,598	10,832,427	4
Amortizable Assets	823,127	795,178	856,522	799,447	520,639	5
Total Plant In Service	32,345,367	31,245,504	29,957,804	27,931,501	25,970,509	6
Property Held For Future Use	2,129	2,323	2,117	2,089	2,067	7
Plant Under Construction	210,247	487,124	668,813	715,977	787,323	8
Tel. Acquisition	142,698	142,698	141,895	141,953	141,898	9
Other Plant	427	427	427	427	427	10
Nonoperating Plant	35,913	145,975	112,625	7,796	7,760	11
Goodwill		8,778				12
Total Telecommunications Plant	32,736,782	32,032,829	30,883,680	28,799,743	26,909,984	13
Less Acc. Prov. For Depreciation & Amort.	18,796,108	17,761,593	16,183,169	14,535,757	13,131,106	14
Net Total Utility Plant	\$13,940,673	\$14,271,236	\$14,700,512	\$14,263,986	\$13,778,878	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.48	0.71	0.48	0.54	0.63	16
Total Capitalization (\$000)	\$9,258,951	\$11,073,302	\$7,982,287	\$7,980,418	\$9,056,354	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	41.8%	43.3%	44.7%	51.1%	45.4%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	34.3%	34.2%	58.6%	62.8%	56.4%	20
Short-Term Debt	23.9%	22.5%	-3.4%	-14.0%	-1.8%	21
Pretax Coverage of Interest Expense	-2.99	-0.42	-0.60	1.07	2.85	22
Com. Stock Dividends as a % of Earnings	-16.5%	-52.0%	-15.5%	-43.4%	75.8%	23
Return on Common Equity	-35.0%	-9.6%	-10.1%	-2.3%	7.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	198.2%	-63.3%	85.1%	85.6%	111.5%	25
CWIP as a % of Plant	0.6%	1.5%	2.2%	2.5%	2.9%	26

Notes:

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

Current Assets	3,588,956,459	4,397,345,295	3,527,360,942	3,190,785,087	3,065,434,112
Current Liabilities	7,492,355,623	6,214,982,379	7,405,913,460	5,862,544,574	4,896,311,327
Total Capitalization	9,258,950,985	11,073,302,136	7,982,286,904	7,980,417,587	9,056,353,941
Long-Term Debt	3,868,232,866	4,796,748,218	3,571,487,135	4,079,288,401	4,107,825,611
Preferred Stock	1,013,200	1,015,400	1,020,400	1,131,800	1,132,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,179,788,750	3,784,134,485	4,679,246,765	5,015,052,302	5,109,225,642
Short-Term Debt	2,209,916,170	2,491,404,033	(269,467,395)	(1,115,054,916)	(161,829,312)
Pretax Income	(1,371,972,615)	(172,243,539)	(234,025,368)	469,311,770	1,024,206,459
Interest Expense	458,530,988	410,265,287	388,444,398	440,320,245	359,427,259
Dividends Paid	207,162,449	222,986,840	80,263,343	52,688,521	293,077,392
Net Income (Excl. Preferred Stock Dividends)	(1,258,685,040)	(428,508,824)	(518,043,424)	(121,531,881)	386,736,778
Internal Cash	2,698,631,029	(1,823,260,152)	2,246,742,741	2,209,876,041	2,648,109,975
Cash Outflows for Construction	(1,361,830,539)	(2,880,367,836)	(2,639,009,587)	(2,582,165,073)	(2,375,501,349)
CWIP	210,247,016	487,124,014	668,812,679	715,999,715	787,322,733
Total Plant	32,736,781,608	32,024,051,434	30,883,680,272	28,799,743,100	26,909,983,956
Shares Outstanding	7,575,165	3,389,991	3,393,865	3,265,107	3,284,601
Number of Employees	29,123	30,791	39,741	41,408	39,721

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$111,768	\$167,747	\$129,671	\$89,347	\$225,371	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	171,399	170,337	170,646	146,404	150,268	2
Changes in Deferred Income Taxes	(47,159)	234,119	(73,970)	82,969	(31,129)	3
Changes in Working Capital	559,012	(1,022,236)	19,702	(21,562)	16,550	4
Capitalized AFDC - Equity	(779,764)	(2,112)	(1,824)	(1,472)	(2,644)	5
Other	209,312	253,584	(221,491)	(28,639)	(85,500)	6
Total Non-Cash Items	112,800	(366,307)	(106,936)	177,701	47,544	7
Net Cash Provided From Operating Activities	<u>224,568</u>	<u>(198,560)</u>	<u>22,735</u>	<u>267,048</u>	<u>272,915</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(152,948)	(1,112,375)	(231,833)	(232,022)	(203,280)	(0)
Purchase of Other Investments	(900,122)	427,044	190,212	(5,024)	(807)	(0)
Sale of Other Investments	856,089	968,124	(28,200)	(2,162)	4,068	(0)
Other	10,018	6,024	6,582	(2,007)	9,696	(0)
Net Cash Provided From Investing Activities	<u>(186,962)</u>	<u>288,817</u>	<u>(63,239)</u>	<u>(241,215)</u>	<u>(190,322)</u>	(0)
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,245)	(43,649)	33,742	(13,518)	(4,698)	14
Common Stock	(14,522)	(8,551)	(861)	(4,200)	(11,235)	15
Preferred Stock	(27)	1,295	1,189	83	(279)	16
Short-Term Debt	(6,380)	(5,873)	(4,307)	(4,155)	(2,447)	17
Dividends Paid	(14,562)	(26,587)	(10,716)	(45,655)	(35,566)	18
Other Financing	(726)	256	(6,655)	(2,862)	678	19
	459			(605)		
Net Cash Provided From Financing Activities	<u>(37,005)</u>	<u>(83,108)</u>	<u>12,392</u>	<u>(70,912)</u>	<u>(53,547)</u>	20
Net Increase (Decrease) in Cash & Equivalents	601	7,149	(28,113)	(45,079)	29,046	21
Cash & Equivalents at Beginning of Year	20,384	13,235	41,348	86,428	57,382	22
Cash & Equivalents at End of Year	\$20,985	\$20,384	\$13,235	\$41,348	\$86,428	23

Table 5 WT

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

	2003	2002	2001	2000	1999
1 Revenues	\$904,408	\$910,958	\$919,924	\$897,446	\$891,788
2 Access Lines	848,123	869,976	882,999	898,525	861,235
DOLLAR AMOUNTS					
3 Wages and Benefits	\$175,008	\$204,940	\$310,288	\$229,901	\$198,619
4 Depreciation and Amortization	135,936	174,220	173,528	152,860	153,559
5 Other Operations Expense	276,023	241,126	173,263	242,856	238,821
6 Total Operation Expenses	586,968	620,286	657,079	625,618	590,999
7 Income Taxes - Operating Taxes	71,719	48,816	105,022	121,714	41,057
8 Other Taxes - Operating Taxes	52,297	48,078	44,081	49,110	58,655
9 Capital Costs	193,425	193,778	113,743	101,004	201,076
10 Total	\$904,408	\$910,958	\$919,924	\$897,446	\$891,788
PERCENT OF REVENUES					
11 Wages and Benefits	19.4	22.5	33.7	25.6	22.3
12 Depreciation and Amortization	15.0	19.1	18.9	17.0	17.2
13 Other Operations Expense	30.5	26.5	18.8	27.1	26.8
14 Income Taxes - Operating Taxes	7.9	5.4	11.4	13.6	4.6
15 Other Taxes - Operating Taxes	5.8	5.3	4.8	5.5	6.6
16 Capital Costs	21.4	21.3	12.4	11.3	22.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	206.35	235.57	351.40	255.87	230.62
19 Depreciation and Amortization	160.28	200.26	196.52	170.12	178.30
20 Other Operations Expense	325.45	277.16	196.22	270.28	277.30
21 Income Taxes - Operating Taxes	84.56	56.11	118.94	135.46	47.67
22 Other Taxes - Operating Taxes	61.66	55.26	49.92	54.66	68.11
23 Capital Costs	228.06	222.74	128.81	112.41	233.47
24 Total	1,066.36	1,047.11	1,041.82	998.80	1,035.48

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$325,107	\$318,720	\$284,423	\$261,030	\$256,423	1
Central Office Assets	1,277,813	1,214,870	1,108,465	1,024,633	963,551	2
Information Origination/Termination	37,324	36,742	41,543	40,774	42,885	3
Cable And Wire Facilities	1,486,463	1,401,205	1,312,444	1,264,543	1,222,053	4
Amortizable Assets	20,057	22,735	15,133	11,994	8,007	5
Total Plant In Service	3,146,765	2,994,273	2,762,008	2,602,974	2,492,919	6
Property Held For Future Use	128	321	370	342	320	7
Plant Under Construction	40,415	119,048	256,332	197,493	148,261	8
Tel. Acquisition	142,698	142,698	141,895	141,953	141,898	9
Other Plant	427	427	427	427	427	10
Nonoperating Plant	3,549	3,553	3,522	3,170	3,133	11
Goodwill		8,778				12
Total Telecommunications Plant	3,333,981	3,269,098	3,164,553	2,946,358	2,786,958	13
Less Acc. Prov. For Depreciation & Amort.		(16,134,688)	(14,676,574)	(13,157,772)	(11,823,448)	14
Net Total Utility Plant			\$17,841,126	\$16,104,130	\$14,610,406	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.67	10.02	1.07	1.52	1.77	16
Total Capitalization (\$000)	\$1,424,044	\$1,982,571	\$1,570,151	\$1,551,569	\$1,565,039	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	5.5%	33.4%	23.9%	29.7%	31.2%	18
Preferred Stock	0.1%	0.1%	0.1%	0.1%	0.1%	19
Common Stock & Retained Earnings	93.6%	65.5%	74.7%	68.8%	67.3%	20
Short-Term Debt	0.8%	1.1%	1.4%	1.5%	1.4%	21
Pretax Coverage of Interest Expense	2.98	6.54	11.15	11.96	16.00	22
Com. Stock Dividends as a % of Earnings	24.3%	19.7%	13.1%	58.1%	20.0%	23
Return on Common Equity	7.8%	11.2%	7.7%	6.6%	17.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	146.8%	-17.9%	-4.7%	115.1%	134.3%	25
CWIP as a % of Plant	1.2%	3.7%	8.1%	6.7%	5.3%	26

Notes:

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

Current Assets	1,187,286,461	1,246,793,270	246,537,967	327,090,359	331,893,784
Current Liabilities	1,766,774,137	124,463,463	229,345,812	214,972,133	187,394,373
Total Capitalization	1,424,043,908	1,982,571,179	1,570,151,324	1,551,569,190	1,565,039,261
Long-Term Debt	78,498,496	661,672,200	375,524,768	460,174,338	488,027,246
Preferred Stock	1,013,200	1,015,400	1,020,400	1,131,800	1,132,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,332,845,497	1,298,071,149	1,172,310,054	1,067,512,712	1,053,976,128
Short-Term Debt	11,686,716	21,812,430	21,296,101	22,750,339	21,903,887
Pretax Income	271,541,004	257,618,254	231,037,080	227,154,879	286,646,244
Interest Expense	91,238,166	39,371,166	20,713,641	18,986,795	17,916,655
Dividends Paid	27,162,449	32,986,840	14,263,343	52,688,521	45,077,392
Net Income (Excl. Preferred Stock Dividends)	111,741,491	167,618,170	109,252,745	90,761,727	225,560,566
Internal Cash	224,568,438	(198,590,437)	(10,907,491)	267,048,027	272,914,684
Cash Outflows for Construction	(152,947,637)	(1,112,375,082)	(231,540,125)	(232,022,155)	(203,279,579)
CWIP	40,414,844	119,048,187	256,332,224	197,515,355	148,260,755
Total Plant	3,333,980,777	3,260,320,046	3,164,552,774	2,946,357,791	2,786,957,844
Shares Outstanding	7,575,164	3,389,990	3,393,864	3,265,106	3,284,600
Number of Employees	2,548	2,658	4,183	3,807	3,536

Table 4

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$608,233)	(\$197,413)	(\$250,952)	\$146,454	\$602,921	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,272,878	2,279,567	2,134,625	2,088,969	1,938,779	2
Changes in Deferred Income Taxes	130,703	259,670	(260,409)	(29,331)	(107,948)	3
Changes in Working Capital	328,056	(4,424,495)	277,512	78,402	115,809	4
Capitalized AFDC - Equity	(779,550)	(1,636)	(1,624)	(539)	(1,836)	5
Other	2,029,439	306,330	314,847	(160,594)	(16,070)	6
Total Non-Cash Items	3,981,526	(1,580,565)	2,464,951	1,976,907	1,928,735	7
Net Cash Provided From Operating Activities	<u>3,373,293</u>	<u>(1,777,978)</u>	<u>2,213,999</u>	<u>2,123,361</u>	<u>2,531,655</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,324,993)	(2,846,307)	(2,579,191)	(2,521,947)	(2,317,423)	9
Purchase of Other Investments	(739,307)	307,991	175,683	(6,514)	(10,956)	10
Sale of Other Investments	1,066,743	1,157,111	90,102	9,092	62,841	11
Other	(899,394)	(134,066)	(31,283)	(884,209)	(256,890)	12
Net Cash Provided From Investing Activities	<u>(1,896,951)</u>	<u>(1,515,271)</u>	<u>(2,344,690)</u>	<u>(3,403,578)</u>	<u>(2,522,428)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,100,705)	1,049,372	(387,935)	(70,000)	(32,065)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(71,690)	2,412,385	847,442	1,444,876	357,992	17
Dividends Paid	(180,000)	(134,000)	(195,000)	(172,300)	(287,400)	18
Other Financing	(131,346)	(32,412)	(185,858)	21,073	(28,308)	19
Net Cash Provided From Financing Activities	<u>(1,621,285)</u>	<u>3,318,286</u>	<u>251,334</u>	<u>1,228,267</u>	<u>10,219</u>	20
Net Increase (Decrease) in Cash & Equivalents	(144,944)	25,036	120,643	(51,950)	19,446	21
Cash & Equivalents at Beginning of Year	564,399	539,363	418,719	470,669	451,223	22
Cash & Equivalents at End of Year	\$419,455	\$564,399	\$539,363	\$418,719	\$470,669	23

Table 5 AT

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

	2003	2002	2001	2000	1999
1 Revenues	\$7,509,655	\$7,901,251	\$8,055,115	\$8,437,765	\$8,515,487
2 Access Lines	11,099,791	12,180,340	12,193,374	12,786,035	12,792,329
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,277,326	\$3,579,769	\$3,501,430	\$2,479,025	\$2,900,774
4 Depreciation and Amortization	2,241,442	2,275,410	2,134,487	2,092,734	1,942,058
5 Other Operations Expense	1,860,569	1,794,550	2,116,546	2,975,306	2,599,883
6 Total Operation Expenses	8,379,336	7,649,729	7,752,464	7,547,066	7,442,715
7 Income Taxes - Operating Taxes	(629,502)	(183,490)	(159,979)	95,903	88,078
8 Other Taxes - Operating Taxes	705,616	606,086	566,537	642,860	729,777
9 Capital Costs	(945,794)	(171,073)	(103,907)	151,936	254,917
10 Total	\$7,509,655	\$7,901,251	\$8,055,115	\$8,437,765	\$8,515,487
PERCENT OF REVENUES					
11 Wages and Benefits	57.0	45.3	43.5	29.4	34.1
12 Depreciation and Amortization	29.8	28.8	26.5	24.8	22.8
13 Other Operations Expense	24.8	22.7	26.3	35.3	30.5
14 Income Taxes - Operating Taxes	(8.4)	(2.3)	(2.0)	1.1	1.0
15 Other Taxes - Operating Taxes	9.4	7.7	7.0	7.6	8.6
16 Capital Costs	(12.6)	(2.2)	(1.3)	1.8	3.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	385.35	293.90	287.16	193.89	226.76
19 Depreciation and Amortization	201.94	186.81	175.05	163.67	151.81
20 Other Operations Expense	167.62	147.33	173.58	232.70	203.24
21 Income Taxes - Operating Taxes	(56.71)	(15.06)	(13.12)	7.50	6.89
22 Other Taxes - Operating Taxes	63.57	49.76	46.46	50.28	57.05
23 Capital Costs	(85.21)	(14.05)	(8.52)	11.88	19.93
24 Total	676.56	648.69	660.61	659.92	665.67

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,034,390	\$3,739,627	\$3,608,805	\$3,213,825	\$3,124,829	1
Central Office Assets	13,442,350	13,121,406	12,417,034	11,392,537	10,314,204	2
Information Origination/Termination	600,359	664,003	770,904	800,150	750,860	3
Cable And Wire Facilities	12,490,520	12,007,917	11,412,309	10,884,798	10,461,289	4
Amortizable Assets	819,156	789,270	853,769	796,746	517,869	5
Total Plant In Service	31,386,775	30,322,222	29,062,821	27,088,057	25,169,051	6
Property Held For Future Use	2,002	2,002	1,747	1,747	1,747	7
Plant Under Construction	194,961	467,615	631,182	679,469	754,330	8
Tel. Acquisition	142,405	142,405	141,601	141,659	141,605	9
Other Plant						10
Nonoperating Plant	34,467	144,525	111,206	6,730	6,730	11
Goodwill						12
Total Telecommunications Plant	31,760,610	31,078,769	29,948,558	27,917,663	26,073,464	13
Less Acc. Prov. For Depreciation & Amort.	18,270,778	17,281,563	15,724,104	14,118,910	12,743,726	14
Net Total Utility Plant	\$13,489,832	\$13,797,206	\$14,224,454	\$13,798,753	\$13,329,737	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.46	0.61	0.46	0.53	0.61	16
Total Capitalization (\$000)	\$8,715,816	\$10,163,192	\$7,433,951	\$7,453,773	\$8,500,393	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	43.5%	42.9%	46.8%	53.4%	46.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	31.3%	32.8%	57.1%	61.9%	55.2%	20
Short-Term Debt	25.2%	24.3%	-3.9%	-15.3%	-2.2%	21
Pretax Coverage of Interest Expense	-3.46	-0.64	-0.84	0.86	2.57	22
Com. Stock Dividends as a % of Earnings	-14.0%	-39.4%	-11.7%	-14.0%	84.3%	23
Return on Common Equity	-40.9%	-11.9%	-12.0%	-3.3%	6.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	186.2%	-62.5%	84.5%	84.2%	109.2%	25
CWIP as a % of Plant	0.6%	1.5%	2.1%	2.4%	2.9%	26

Notes:

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

Current Assets	3,342,516	3,769,513	3,395,246	3,042,280	2,914,435
Current Liabilities	7,304,622	6,156,202	7,334,862	5,766,166	4,801,042
Total Capitalization	8,715,816	10,163,192	7,433,951	7,453,773	8,500,393
Long-Term Debt	3,789,734	4,360,222	3,481,093	3,978,245	3,988,390
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,727,852	3,333,379	4,243,622	4,613,334	4,695,737
Short-Term Debt	2,198,229	2,469,592	(290,763)	(1,137,805)	(183,733)
Pretax Income	(1,458,785)	(254,355)	(317,642)	370,904	896,379
Interest Expense	421,897	397,254	379,544	430,405	348,665
Dividends Paid	180,000	190,000	66,000	23,000	248,000
Net Income (Excl. Preferred Stock Dividends)	(1,286,537)	(481,895)	(566,024)	(164,389)	294,140
Internal Cash	2,467,207	(1,777,978)	2,178,688	2,123,361	2,531,655
Cash Outflows for Construction	(1,324,993)	(2,846,307)	(2,578,898)	(2,521,947)	(2,317,423)
CWIP	194,961	467,615	631,182	679,469	754,330
Total Plant	31,760,610	31,078,769	29,948,558	27,917,663	26,073,464
Shares Outstanding	0	0	0	0	0
Number of Employees	28,060	29,672	38,390	40,004	38,321

Table 4 I

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$27,878	\$53,515	\$46,627	\$41,443	\$92,335	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	51,822	46,450	51,858	45,554	45,588	2
Changes in Deferred Income Taxes	(13,903)	16,717	(27,450)	29,886	(12,028)	3
Changes in Working Capital	474,337	(498,836)	(5,936)	(14,871)	23,562	4
Capitalized AFDC - Equity	(214)	(476)	(200)	(932)	(809)	5
Other	(308,495)	337,378	1,486	(14,563)	(32,194)	6
Total Non-Cash Items	203,546	(98,767)	19,759	45,072	24,120	7
Net Cash Provided From Operating Activities	231,424	(45,252)	66,386	86,515	116,455	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(36,838)	(34,061)	(60,112)	(60,218)	(58,079)	9
Purchase of Other Investments	(160,815)	119,053	14,529	1,490	10,149	10
Sale of Other Investments	1,222	264	(922)	(607)	4,946	11
Other	10,018	6,024	6,582	(2,007)	9,696	12
Net Cash Provided From Investing Activities	(186,412)	91,280	(39,923)	(61,341)	(33,288)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,245)	(3,649)	(6,258)	(13,518)	(4,698)	14
Common Stock	(14,522)	(8,551)	(861)	(4,200)	(11,235)	15
Preferred Stock	(27)	1,295	1,189	83	(279)	16
Short-Term Debt	(6,380)	(5,873)	(4,307)	(4,155)	(2,447)	17
Dividends Paid	(14,562)	(26,587)	(10,716)	(22,655)	(35,566)	18
Other Financing	(726)	(923)	(7,367)	(2,980)	560	19
	459	-	-	(605)	-	
Net Cash Provided From Financing Activities	(37,005)	(44,287)	(28,320)	(48,030)	(53,665)	20
Net Increase (Decrease) in Cash & Equivalents	8,007	1,741	(1,857)	(22,856)	29,502	21
Cash & Equivalents at Beginning of Year	46,950	45,209	47,066	69,922	40,420	22
Cash & Equivalents at End of Year	\$54,958	\$46,950	\$45,209	\$47,066	\$69,922	23

Table 5 BT

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

	2003	2002	2001	2000	1999
1 Revenues	\$317,696	\$318,573	\$318,866	\$317,895	\$308,840
2 Access Lines	441	458	447	438	425
DOLLAR AMOUNTS					
3 Wages and Benefits	74,722	72,816	76,232	73,738	69,241
4 Depreciation and Amortization	47,794	54,489	54,878	48,244	45,600
5 Other Operations Expense	97,948	107,308	93,099	85,328	89,715
6 Total Operation Expenses	220,464	234,613	224,209	207,310	204,555
7 Income Taxes - Operating Taxes	23,221	13,812	26,458	47,237	20,362
8 Other Taxes - Operating Taxes	16,615	17,176	17,792	19,026	20,762
9 Capital Costs	57,396	52,972	50,407	44,322	63,161
10 Total	\$317,696	\$318,573	\$318,866	\$317,895	\$308,840
PERCENT OF REVENUES					
11 Wages and Benefits	23.5	22.9	23.9	23.2	22.4
12 Depreciation and Amortization	15.0	17.1	17.2	15.2	14.8
13 Other Operations Expense	30.8	33.7	29.2	26.8	29.0
14 Income Taxes - Operating Taxes	7.3	4.3	8.3	14.9	6.6
15 Other Taxes - Operating Taxes	5.2	5.4	5.6	6.0	6.7
16 Capital Costs	18.1	16.6	15.8	13.9	20.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	169,369	159,085	170,722	168,211	163,067
19 Depreciation and Amortization	108,333	119,045	122,900	110,053	107,391
20 Other Operations Expense	222,013	234,440	208,496	194,650	211,285
21 Income Taxes - Operating Taxes	52,633	30,175	59,254	107,756	47,954
22 Other Taxes - Operating Taxes	37,661	37,526	39,845	43,402	48,895
23 Capital Costs	130,097	115,730	112,887	101,107	148,749
24 Total	720,106	696,000	714,103	725,179	727,342

Table 6 I

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$125,035	\$123,985	\$122,454	\$118,139	\$116,663	1
Central Office Assets	384,684	368,012	350,100	321,436	295,483	2
Information Origination/Termination	8,250	8,565	14,261	14,368	15,404	3
Cable And Wire Facilities	436,653	416,813	405,415	386,799	371,138	4
Amortizable Assets	3,971	5,908	2,754	2,702	2,771	5
Total Plant In Service	958,592	923,282	894,983	843,444	801,458	6
Property Held For Future Use	128	321	370	342	320	7
Plant Under Construction	15,286	19,509	37,630	36,508	32,993	8
Tel. Acquisition	293	293	293	293	293	9
Other Plant	427	427	427	427	427	10
Nonoperating Plant	1,446	1,450	1,419	1,065	1,029	11
Goodwill		8,778				12
Total Telecommunications Plant	976,172	954,060	935,122	882,080	836,520	13
Less Acc. Prov. For Depreciation & Amort.	525,331	480,030	459,064	416,847	387,380	14
Net Total Utility Plant	\$450,841	\$474,030	\$476,058	\$465,233	\$449,140	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.31	10.68	1.86	1.54	1.58	16
Total Capitalization (\$000)	\$543,135	\$910,110	\$548,335	\$526,644	\$555,961	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	14.5%	48.0%	16.5%	19.2%	21.5%	18
Preferred Stock	0.2%	0.1%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	83.2%	49.5%	79.4%	76.3%	74.4%	20
Short-Term Debt	2.2%	2.4%	3.9%	4.3%	3.9%	21
Pretax Coverage of Interest Expense	2.37	6.31	9.40	9.92	11.88	22
Com. Stock Dividends as a % of Earnings	97.5%	61.8%	29.7%	69.3%	48.7%	23
Return on Common Equity	6.2%	12.0%	11.5%	10.5%	24.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	628.2%	-132.9%	113.2%	143.7%	200.5%	25
CWIP as a % of Plant	1.6%	2.1%	4.0%	4.1%	3.9%	26

Current Assets	246,440	627,832	132,115	148,505	150,999
Current Liabilities	187,734	58,780	71,051	96,379	95,269
Total Capitalization	543,135	910,110	548,335	526,644	555,961
Long-Term Debt	78,498	436,526	90,394	101,043	119,436
Preferred Stock	1,013	1,015	1,020	1,132	1,132
Common Stock and Retained Earnings (Excl. Preferred Stock)	451,937	450,756	435,625	401,719	413,489
Short-Term Debt	11,687	21,812	21,296	22,750	21,904
Pretax Income	86,812	82,112	83,617	98,407	127,828
Interest Expense	36,634	13,011	8,900	9,916	10,762
Dividends Paid	27,162	32,987	14,263	29,689	45,077
Net Income (Excl. Preferred Stock Dividends)	27,852	53,386	47,980	42,857	92,596
Internal Cash	231,424	(45,282)	68,055	86,515	116,455
Cash Outflows for Construction	(36,838)	(34,061)	(60,112)	(60,218)	(58,079)
CWIP	15,286	19,509	37,630	36,531	32,993
Total Plant	976,172	945,282	935,122	882,080	836,520
Shares Outstanding	7,575	3,390	3,394	3,265	3,285
Number of Employees	1,063	1,119	1,351	1,404	1,400

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$6,546,475	\$4,849,770	\$4,659,505	\$5,238,950	\$2,279,007	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	9,395,139	9,774,592	9,514,692	9,447,953	9,102,151	2
Changes in Deferred Income Taxes	(178,558)	(218,350)	409,263	1,432,060	(1,039,585)	3
Changes in Working Capital	(326,376)	(2,583,409)	(3,244,016)	4,177,710	690,365	4
Capitalized AFDC - Equity	(90,558)	(138,750)	(66,415)	(101,207)	(70,782)	5
Other	(528,329)	2,338,434	367,155	(1,201,552)	2,087,953	6
Total Non-Cash Items	8,271,318	9,172,517	6,980,679	13,754,964	10,770,102	7
Net Cash Provided From Operating Activities	<u>14,817,793</u>	<u>14,022,287</u>	<u>11,640,184</u>	<u>18,993,914</u>	<u>13,049,109</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(5,373,166)	(6,818,890)	(6,857,291)	(9,755,486)	(8,285,497)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(5,373,166)</u>	<u>(6,818,890)</u>	<u>(6,857,291)</u>	<u>(9,755,486)</u>	<u>(8,285,497)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments):						
Long-Term Debt	(2,272,400)	(2,272,400)	(2,272,400)	(1,454,400)	(1,959,200)	14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	(916,664)	(1,120,868)	1,417,034	(3,679,885)	(694,801)	17
Dividends Paid	(5,363,003)	(3,713,000)	(4,109,070)	(3,875,000)	(2,200,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(8,552,067)</u>	<u>(7,106,268)</u>	<u>(4,964,436)</u>	<u>(9,009,285)</u>	<u>(4,854,001)</u>	20
Net Increase (Decrease) in Cash & Equivalents	892,560	97,129	(181,543)	229,143	(90,389)	21
Cash & Equivalents at Beginning of Year	338,936	241,807	423,350	194,207	284,596	22
Cash & Equivalents at End of Year	\$1,231,496	\$338,936	\$241,807	\$423,350	\$194,207	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$58,177,102	\$56,837,481	\$57,641,788	\$57,964,087	\$56,957,757
2 Access Lines	98,362	101,290	102,500	103,190	101,571
DOLLAR AMOUNTS					
3 Wages and Benefits	\$6,690,748	\$6,837,588	\$6,911,773	\$7,053,934	\$7,699,660
4 Depreciation and Amortization	9,395,139	9,774,592	9,514,692	9,447,953	9,102,151
5 Other Operations Expense	17,907,269	18,247,561	19,630,820	18,470,045	22,612,516
6 Total Operation Expenses	33,993,156	34,859,741	36,057,285	34,971,932	39,414,327
7 Income Taxes - Operating Taxes	6,664,913	5,794,772	5,706,101	5,811,991	3,644,840
8 Other Taxes - Operating Taxes	4,673,686	4,678,423	4,099,588	4,897,934	4,833,336
9 Capital Costs	12,845,347	11,504,545	11,778,814	12,282,230	9,065,254
10 Total	\$58,177,102	\$56,837,481	\$57,641,788	\$57,964,087	\$56,957,757
PERCENT OF REVENUES					
11 Wages and Benefits	11.5	12.0	12.0	12.2	13.5
12 Depreciation and Amortization	16.1	17.2	16.5	16.3	16.0
13 Other Operations Expense	30.8	32.1	34.1	31.9	39.7
14 Income Taxes - Operating Taxes	11.5	10.2	9.9	10.0	6.4
15 Other Taxes - Operating Taxes	8.0	8.2	7.1	8.4	8.5
16 Capital Costs	22.1	20.2	20.4	21.2	15.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	68.02	67.51	67.43	68.36	75.81
19 Depreciation and Amortization	95.52	96.50	92.83	91.56	89.61
20 Other Operations Expense	182.05	180.15	191.52	178.99	222.63
21 Income Taxes - Operating Taxes	67.76	57.21	55.67	56.32	35.88
22 Other Taxes - Operating Taxes	47.52	46.19	40.00	47.47	47.59
23 Capital Costs	130.59	113.58	114.92	119.03	89.25
24 Total	591.46	561.14	562.36	561.72	560.77

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$19,666,896	\$20,028,245	\$20,052,693	\$19,770,678	\$20,856,253	1
Central Office Assets	78,850,893	76,232,789	74,278,443	71,286,371	66,134,399	2
Information Origination/Termination	422,733	392,650	438,204	657,444	1,278,739	3
Cable And Wire Facilities	91,062,023	85,145,900	92,657,877	90,509,074	89,399,815	4
Amortizable Assets				24,222	24,222	5
Total Plant In Service	190,002,545	181,799,584	187,427,217	182,247,789	177,693,428	6
Property Held For Future Use						7
Plant Under Construction	2,615,635	4,184,373	3,072,229	3,507,377	5,247,047	8
Tel. Acquisition						9
Other Plant	148,560	148,560	148,560	148,560	148,560	10
Nonoperating Plant	37,008	37,008	37,008	37,008	37,008	11
Goodwill						12
Total Telecommunications Plant	192,803,748	186,169,525	190,685,014	185,940,734	183,126,043	13
Less Acc. Prov. For Depreciation & Amort.	107,836,078	97,343,835	99,528,135	92,392,517	89,849,057	14
Net Total Utility Plant	\$84,967,670	\$88,825,690	\$91,156,879	\$93,548,217	\$93,276,986	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.24	1.08	0.92	0.75	1.17	16
Total Capitalization	\$73,294,152	\$75,299,744	\$77,556,242	\$77,861,173	\$81,631,508	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.7%	21.5%	25.3%	26.3%	32.3%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	79.2%	75.5%	71.8%	70.8%	65.9%	20
Short-Term Debt	3.1%	3.0%	2.9%	2.9%	1.8%	21
Pretax Coverage of Interest Expense	7.60	5.18	4.48	4.52	2.33	22
Com. Stock Dividends as a % of Earnings	81.9%	76.6%	88.2%	74.0%	96.5%	23
Return on Common Equity	11.4%	8.6%	8.4%	9.6%	4.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	275.8%	205.6%	169.7%	194.7%	157.5%	25
CWIP as a % of Plant	1.4%	2.2%	1.6%	1.9%	2.9%	26

Current Assets	9,383,992	9,004,315	10,041,968	11,386,299	9,975,373
Current Liabilities	7,567,204	8,360,075	10,945,657	15,182,519	8,543,663
Total Capitalization	73,294,152	75,299,744	77,556,242	77,861,173	81,631,508
Long-Term Debt	13,001,600	16,190,664	19,583,932	20,439,298	26,391,583
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	58,020,152	56,836,680	55,699,910	55,149,475	53,785,525
Short-Term Debt	2,272,400	2,272,400	2,272,400	2,272,400	1,454,400
Pretax Income	12,250,045	9,957,148	9,910,489	10,923,729	6,582,456
Interest Expense	1,611,431	1,923,334	2,214,468	2,414,400	2,823,867
Common Dividends Paid	5,363,003	3,713,000	4,109,070	3,875,000	2,200,000
Net Income (Excl. Preferred Stock Dividends)	6,546,475	4,849,770	4,659,505	5,238,950	2,279,007
Internal Cash	14,817,793	14,022,287	11,640,184	18,993,914	13,049,109
Cash Outflows for Construction	(5,373,166)	(6,818,890)	(6,857,291)	(9,755,486)	(8,285,497)
CWIP	2,615,635	4,184,373	3,072,229	3,507,377	5,247,047
Total Plant	192,803,748	186,169,525	190,685,014	185,940,734	183,126,043
Shares Outstanding	2,621	2,621	2,621	2,621	2,621
Number of Employees	107	110	128	130	144

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$258,080	\$368,264	\$256,851	\$244,720	\$426,670	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	622,637	672,332	667,537	643,668	625,943	2
Changes in Deferred Income Taxes	55,277	54,059	(73,624)	53,596	81,161	3
Changes in Working Capital	(127,324)	131,545	108,512	(245,034)	(446,006)	4
Capitalized AFDC - Equity						5
Other	(153,956)	133,168	185,158	(9,514)	(12,730)	6
Total Non-Cash Items	396,634	991,104	887,583	442,716	248,368	7
Net Cash Provided From Operating Activities	<u>654,714</u>	<u>1,359,368</u>	<u>1,144,434</u>	<u>687,436</u>	<u>675,038</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(835,220)	(1,006,311)	(547,786)	(436,109)	(921,467)	9
Purchase of Other Investments						10
Sale of Other Investments	4,363	1,959	31,655			11
Other	(1,459)	(3,218)	(7,220)			12
Net Cash Provided From Investing Activities	<u>(832,316)</u>	<u>(1,007,570)</u>	<u>(523,351)</u>	<u>(436,109)</u>	<u>(921,467)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(131,794)	(125,855)	(147,517)	(154,226)	(113,277)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(100,000)	(850,000)		18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(131,794)</u>	<u>(125,855)</u>	<u>(247,517)</u>	<u>(1,004,226)</u>	<u>(113,277)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(309,396)	225,943	373,566	(752,899)	(359,706)	21
Cash & Equivalents at Beginning of Year	1,481,390	1,255,447	881,881	1,634,780	1,994,486	22
Cash & Equivalents at End of Year	\$1,171,994	\$1,481,390	\$1,255,447	\$881,881	\$1,634,780	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$4,183,437	\$4,199,133	\$3,999,191	\$3,798,762	\$3,771,290
2 Access Lines	3,728	3,728	3,578	3,548	3,479
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,455,020	\$1,306,188	\$1,298,783	\$1,140,600	\$1,064,524
4 Depreciation and Amortization	621,521	671,216	666,421	642,552	624,828
5 Other Operations Expense	1,372,364	1,247,626	1,106,975	1,136,779	1,086,910
6 Total Operation Expenses	3,448,905	3,225,030	3,072,179	2,919,931	2,776,262
7 Income Taxes - Operating Taxes	38,391	104,225	167,529	171,627	176,043
8 Other Taxes - Operating Taxes	261,802	246,736	199,885	273,583	222,383
9 Capital Costs	434,339	623,142	559,598	433,621	596,602
10 Total	\$4,183,437	\$4,199,133	\$3,999,191	\$3,798,762	\$3,771,290
PERCENT OF REVENUES					
11 Wages and Benefits	34.8	31.1	32.5	30.0	28.2
12 Depreciation and Amortization	14.9	16.0	16.7	16.9	16.6
13 Other Operations Expense	32.8	29.7	27.7	29.9	28.8
14 Income Taxes - Operating Taxes	0.9	2.5	4.2	4.5	4.7
15 Other Taxes - Operating Taxes	6.3	5.9	5.0	7.2	5.9
16 Capital Costs	10.4	14.8	14.0	11.4	15.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	390.30	350.37	362.99	321.48	305.99
19 Depreciation and Amortization	166.72	180.05	186.26	181.10	179.60
20 Other Operations Expense	368.12	334.66	309.38	320.40	312.42
21 Income Taxes - Operating Taxes	10.30	27.96	46.82	48.37	50.60
22 Other Taxes - Operating Taxes	70.23	66.18	55.87	77.11	63.92
23 Capital Costs	116.51	167.15	156.40	122.22	171.49
24 Total	1,122.17	1,126.38	1,117.72	1,070.68	1,084.02

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,489,651	\$2,427,577	\$2,418,899	\$2,366,635	\$2,298,666	1
Central Office Assets	4,592,761	3,948,453	3,634,930	3,595,541	3,502,858	2
Information Origination/Termination	191,480	177,545	154,672	151,245	169,012	3
Cable And Wire Facilities	4,949,292	4,676,378	4,379,601	4,162,528	3,898,983	4
Amortizable Assets						5
Total Plant In Service	12,223,184	11,229,953	10,588,102	10,275,949	9,869,519	6
Property Held For Future Use						7
Plant Under Construction	761	208,021	3,118	1,413	189,600	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,223,945	11,437,974	10,591,220	10,277,362	10,059,119	13
Less Acc. Prov. For Depreciation & Amort.	5,742,660	5,167,483	4,657,086	4,200,159	3,763,279	14
Net Total Utility Plant	\$6,481,285	\$6,270,491	\$5,934,134	\$6,077,203	\$6,295,840	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.03	2.68	3.79	2.38	1.59	16
Total Capitalization	\$7,184,693	\$7,058,406	\$6,815,995	\$6,890,757	\$8,128,908	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	52.5%	55.4%	58.7%	60.3%	53.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	45.6%	42.7%	38.8%	35.9%	34.5%	20
Short-Term Debt	1.9%	1.9%	2.4%	3.8%	12.4%	21
Pretax Coverage of Interest Expense	2.49	3.70	2.70	2.60	3.82	22
Com. Stock Dividends as a % of Earnings				40.9%	199.2%	23
Return on Common Equity	8.2%	13.0%	10.0%	9.3%	15.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	78.4%	135.1%	208.9%	157.6%	73.3%	25
CWIP as a % of Plant	0.0%	1.8%	0.0%	0.0%	1.9%	26

Current Assets	2,188,324	2,670,990	2,281,239	2,243,392	2,801,076
Current Liabilities	542,448	997,091	601,910	940,821	1,756,174
Total Capitalization	7,184,693	7,058,406	6,815,995	6,890,757	8,128,908
Long-Term Debt	3,773,292	3,911,304	4,002,301	4,156,030	4,316,442
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,273,393	3,015,312	2,647,047	2,474,291	2,808,216
Short-Term Debt	138,008	131,790	166,647	260,436	1,004,250
Pretax Income	495,576	756,915	567,729	562,894	850,357
Interest Expense	198,783	204,740	210,591	216,747	222,569
Common Dividends Paid				100,000	850,000
Net Income (Excl. Preferred Stock Dividends)	258,080	368,264	256,851	244,720	426,670
Internal Cash	654,714	1,359,368	1,144,434	687,436	675,038
Cash Outflows for Construction	(835,220)	(1,006,311)	(547,786)	(436,109)	(921,467)
CWIP	761	208,021	3,118	1,413	189,600
Total Plant	12,223,945	11,437,974	10,591,220	10,277,362	10,059,119
Shares Outstanding	4,850	4,850	4,850	4,850	4,850
Number of Employees	18	18	18	16	16

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$351,948	\$413,267	\$302,723	\$433,899	\$2,501,866	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	867,587	860,009	838,070	808,521	794,361	2
Changes in Deferred Income Taxes	29,480	86,099	(50,057)	171,903	(65,258)	3
Changes in Working Capital	380,657	215,212	196,081	125,041	(562,760)	4
Capitalized AFDC - Equity						5
Other	180,084	(215,978)	(45,945)	(59,773)	(1,528,941)	6
Total Non-Cash Items	1,457,808	945,342	938,149	1,045,692	(1,362,598)	7
Net Cash Provided From Operating Activities	<u>1,809,756</u>	<u>1,358,609</u>	<u>1,240,872</u>	<u>1,479,591</u>	<u>1,139,268</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(662,671)	(384,910)	(627,822)	(992,443)	(1,037,701)	9
Purchase of Other Investments	(24,504)	5,466	44,520	(245,530)	(241,888)	10
Sale of Other Investments	(2,673)	1,657				11
Other						12
Net Cash Provided From Investing Activities	<u>(689,848)</u>	<u>(377,787)</u>	<u>(583,302)</u>	<u>(1,237,973)</u>	<u>(1,279,589)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(253,401)	(237,029)	(222,005)	(143,816)	(113,831)	14
Common Stock						15
Preferred Stock			(106,800)		(8,000)	16
Short-Term Debt			(175,776)	(73,810)	(72,155)	17
Dividends Paid	(154,522)	(158,976)	(126,720)	(130,823)	(131,064)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(407,923)</u>	<u>(396,005)</u>	<u>(631,301)</u>	<u>(348,449)</u>	<u>(325,050)</u>	20
Net Increase (Decrease) in Cash & Equivalents	711,985	584,817	26,269	(106,831)	(465,371)	21
Cash & Equivalents at Beginning of Year	1,240,430	655,613	629,344	736,175	1,201,546	22
Cash & Equivalents at End of Year	\$1,952,415	\$1,240,430	\$655,613	\$629,344	\$736,175	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$4,397,586	\$4,632,566	\$4,814,112	\$4,994,129	\$5,008,900
2 Access Lines	6,703	6,800	6,876	6,828	6,707
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,543,574	\$1,984,559	\$2,142,191	\$1,725,000	\$1,767,914
4 Depreciation and Amortization	864,102	856,523	829,287	807,827	793,667
5 Other Operations Expense	1,430,522	986,617	1,274,343	1,244,699	1,209,284
6 Total Operation Expenses	3,838,198	3,827,699	4,245,821	3,777,526	3,770,865
7 Income Taxes - Operating Taxes	25,240	75,208	(45,231)	312,686	308,768
8 Other Taxes - Operating Taxes	234,104	220,518	213,741	232,388	262,722
9 Capital Costs	300,044	509,141	399,781	671,529	666,545
10 Total	\$4,397,586	\$4,632,566	\$4,814,112	\$4,994,129	\$5,008,900
PERCENT OF REVENUES					
11 Wages and Benefits	35.1	42.8	44.5	34.5	35.3
12 Depreciation and Amortization	19.6	18.5	17.2	16.2	15.8
13 Other Operations Expense	32.5	21.3	26.5	24.9	24.1
14 Income Taxes - Operating Taxes	0.6	1.6	(0.9)	6.3	6.2
15 Other Taxes - Operating Taxes	5.3	4.8	4.4	4.7	5.2
16 Capital Costs	6.8	11.0	8.3	13.4	13.3
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	230.28	291.85	311.55	252.64	263.59
19 Depreciation and Amortization	128.91	125.96	120.61	118.31	118.33
20 Other Operations Expense	213.42	145.09	185.33	182.29	180.30
21 Income Taxes - Operating Taxes	3.77	11.06	(6.58)	45.79	46.04
22 Other Taxes - Operating Taxes	34.93	32.43	31.09	34.03	39.17
23 Capital Costs	44.76	74.87	58.14	98.35	99.38
24 Total	656.06	681.26	700.13	731.42	746.82

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,822,904	\$2,758,859	\$2,857,879	\$2,724,202	\$2,650,888	1
Central Office Assets	4,554,341	4,234,619	4,164,126	3,878,215	3,517,342	2
Information Origination/Termination	309,681	309,681	309,681	309,681	309,681	3
Cable And Wire Facilities	6,360,026	6,188,464	6,049,189	5,897,749	5,627,854	4
Amortizable Assets	754	754	754	754	754	5
Total Plant In Service	14,047,706	13,492,377	13,381,629	12,810,601	12,106,519	6
Property Held For Future Use						7
Plant Under Construction	16,513	13,915	11,618	134,966	13,960	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	145,271	145,271	145,271	160,969	160,969	11
Goodwill						12
Total Telecommunications Plant	14,209,490	13,651,563	13,538,518	13,106,536	12,281,448	13
Less Acc. Prov. For Depreciation & Amort.	6,633,384	5,883,149	5,291,290	4,650,896	4,012,549	14
Net Total Utility Plant	\$7,576,106	\$7,768,414	\$8,247,228	\$8,455,640	\$8,268,899	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.58	1.42	1.24	1.33	1.40	16
Total Capitalization	\$12,564,260	\$12,593,738	\$12,827,876	\$13,176,536	\$13,031,552	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	24.3%	26.3%	27.7%	28.6%	30.0%	18
Preferred Stock				0.8%	0.8%	19
Common Stock & Retained Earnings	75.7%	73.7%	72.3%	69.2%	67.2%	20
Short-Term Debt				1.3%	1.9%	21
Pretax Coverage of Interest Expense	2.57	2.83	1.87	3.42	11.10	22
Com. Stock Dividends as a % of Earnings	43.9%	38.5%	41.9%	29.1%	5.0%	23
Return on Common Equity	3.7%	4.5%	3.3%	4.8%	32.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	273.1%	353.0%	197.6%	149.1%	109.8%	25
CWIP as a % of Plant	0.1%	0.1%	0.1%	1.0%	0.1%	26

Current Assets	2,842,914	2,494,211	1,884,016	2,026,891	2,254,108
Current Liabilities	1,799,436	1,752,566	1,520,908	1,529,042	1,605,575
Total Capitalization	12,564,260	12,593,738	12,827,876	13,176,536	13,031,552
Long-Term Debt	3,058,186	3,311,587	3,548,616	3,770,621	3,914,437
Preferred Stock				106,800	106,800
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,506,074	9,282,151	9,279,260	9,123,339	8,760,729
Short-Term Debt				175,776	249,586
Pretax Income	631,205	764,078	560,365	1,054,486	3,099,951
Interest Expense	245,793	270,311	299,371	307,901	279,236
Common Dividends Paid	154,522	158,976	126,720	124,416	124,416
Net Income (Excl. Preferred Stock Dividends)	351,948	413,267	302,723	427,491	2,495,218
Internal Cash	1,809,756	1,358,609	1,240,872	1,479,591	1,139,268
Cash Outflows for Construction	(662,671)	(384,910)	(627,822)	(992,443)	(1,037,701)
CWIP	16,513	13,915	11,618	134,966	13,960
Total Plant	14,209,490	13,651,563	13,538,518	13,106,536	12,281,448
Shares Outstanding	1,536	1,536	1,536	1,536	1,536
Number of Employees	27	28	27	31	31

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$190,052	\$26,477	\$227,251	\$101,272	\$113,689	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	115,940	110,460	104,492	98,934	96,579	2
Changes in Deferred Income Taxes	8,900	(12,471)	(13,529)	(14,824)	(9,493)	3
Changes in Working Capital	415,285	6,447	46,492	38,998	(54,616)	4
Capitalized AFDC - Equity						5
Other	(90,794)	58,017	(112,170)	(57,772)	(8,029)	6
Total Non-Cash Items	449,331	162,453	25,285	65,336	24,441	7
Net Cash Provided From Operating Activities	<u>639,383</u>	<u>188,930</u>	<u>252,536</u>	<u>166,608</u>	<u>138,130</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(749,378)	(77,792)	(106,179)	(141,171)	(94,270)	9
Purchase of Other Investments						10
Sale of Other Investments	7,410	(1,963)	2,078	9,365	(4,259)	11
Other						12
Net Cash Provided From Investing Activities	<u>(741,968)</u>	<u>(79,755)</u>	<u>(104,101)</u>	<u>(131,806)</u>	<u>(98,529)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(21,789)	(20,723)	(19,725)	(18,771)	(17,857)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	70,000	(91,000)	(99,000)	(150,000)		17
Dividends Paid					(48,650)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>48,211</u>	<u>(111,723)</u>	<u>(118,725)</u>	<u>(168,771)</u>	<u>(66,507)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(54,374)	(2,548)	29,710	(133,969)	(26,906)	21
Cash & Equivalents at Beginning of Year	55,697	58,245	28,535	162,504	189,410	22
Cash & Equivalents at End of Year	\$1,323	\$55,697	\$58,245	\$28,535	\$162,504	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$974,929	\$914,315	\$916,671	\$893,623	\$939,015
2 Access Lines	1,589	1,658	1,646	1,639	1,601
DOLLAR AMOUNTS					
3 Wages and Benefits	\$326,208	\$309,392	\$299,419	\$318,560	\$257,782
4 Depreciation and Amortization	115,739	110,260	104,292	98,733	96,379
5 Other Operations Expense	370,310	352,800	331,404	367,536	400,459
6 Total Operation Expenses	812,257	772,452	735,115	784,829	754,620
7 Income Taxes - Operating Taxes	44,756	32,260	49,195	25,833	38,636
8 Other Taxes - Operating Taxes	40,151	32,468	31,907	42,557	46,405
9 Capital Costs	77,765	77,135	100,454	40,404	99,354
10 Total	\$974,929	\$914,315	\$916,671	\$893,623	\$939,015
PERCENT OF REVENUES					
11 Wages and Benefits	33.5	33.8	32.7	35.6	27.5
12 Depreciation and Amortization	11.9	12.1	11.4	11.0	10.3
13 Other Operations Expense	38.0	38.6	36.2	41.1	42.6
14 Income Taxes - Operating Taxes	4.6	3.5	5.4	2.9	4.1
15 Other Taxes - Operating Taxes	4.1	3.6	3.5	4.8	4.9
16 Capital Costs	8.0	8.4	11.0	4.5	10.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	205.29	186.61	181.91	194.36	161.01
19 Depreciation and Amortization	72.84	66.50	63.36	60.24	60.20
20 Other Operations Expense	233.05	212.79	201.34	224.24	250.13
21 Income Taxes - Operating Taxes	28.17	19.46	29.89	15.76	24.13
22 Other Taxes - Operating Taxes	25.27	19.58	19.38	25.97	28.99
23 Capital Costs	48.94	46.52	61.03	24.65	62.06
24 Total	613.55	551.46	556.91	545.22	586.52

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$287,104	\$186,203	\$186,203	\$186,203	\$179,901	1
Central Office Assets	954,379	875,226	837,800	790,482	747,713	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,181,471	1,124,602	1,092,270	990,626	958,237	4
Amortizable Assets						5
Total Plant In Service	2,488,564	2,251,641	2,181,883	2,032,921	1,951,461	6
Property Held For Future Use						7
Plant Under Construction	555,927	55,771	53,944	114,472	80,971	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	3,044,491	2,307,412	2,235,827	2,147,393	2,032,432	13
Less Acc. Prov. For Depreciation & Amort.	1,490,623	1,379,774	1,277,684	1,189,057	1,107,168	14
Net Total Utility Plant	\$1,553,868	\$927,638	\$958,143	\$958,336	\$925,264	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.67	-1.40	-2.26	20.78	3.48	16
Total Capitalization	\$1,358,192	\$1,119,929	\$1,205,175	\$1,096,649	\$1,164,148	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	8.7%	12.6%	13.6%	16.8%	17.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	109.4%	115.8%	105.4%	95.1%	80.9%	20
Short-Term Debt	-18.2%	-28.4%	-18.9%	-11.9%	1.6%	21
Pretax Coverage of Interest Expense	-33.89	-8.52	-65.03	13.42	12.99	22
Com. Stock Dividends as a % of Earnings					42.8%	23
Return on Common Equity	13.7%	2.1%	19.7%	10.2%	12.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	85.3%	242.9%	237.8%	118.0%	146.5%	25
CWIP as a % of Plant	18.3%	2.4%	2.4%	5.3%	4.0%	26

Current Assets	198,049	266,585	261,118	315,411	459,004
Current Liabilities	294,968	(190,176)	(115,491)	15,177	131,879
Total Capitalization	1,358,192	1,119,929	1,205,175	1,096,649	1,164,148
Long-Term Debt	118,674	141,577	163,360	184,095	203,826
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,486,525	1,296,473	1,269,996	1,042,745	941,473
Short-Term Debt	(247,007)	(318,121)	(228,181)	(130,191)	18,849
Pretax Income	228,079	52,567	266,941	131,502	159,183
Interest Expense	(6,729)	(6,170)	(4,105)	9,797	12,258
Common Dividends Paid					48,650
Net Income (Excl. Preferred Stock Dividends)	190,052	26,477	227,251	101,272	113,689
Internal Cash	639,383	188,930	252,536	166,608	138,130
Cash Outflows for Construction	(749,378)	(77,792)	(106,179)	(141,171)	(94,270)
CWIP	555,927	55,771	53,944	114,472	80,971
Total Plant	3,044,491	2,307,412	2,235,827	2,147,393	2,032,432
Shares Outstanding	695	695	695	695	695
Number of Employees	5	6	7	6	6

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$82,257)	(\$707,379)	\$1,163,067	\$557,428	\$97,506	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	589,597	638,005	644,536	518,416	492,603	2
Changes in Deferred Income Taxes	(1,011,621)	304,089	(3,634)	738,787	(96,423)	3
Changes in Working Capital	1,406,597	(249,651)	475,877	25,356	321,759	4
Capitalized AFDC - Equity						5
Other	(88,699)	1,183,117	(180,485)	(1,049,816)	78,315	6
Total Non-Cash Items	895,874	1,875,560	936,294	232,743	796,254	7
Net Cash Provided From Operating Activities	<u>813,617</u>	<u>1,168,181</u>	<u>2,099,361</u>	<u>790,171</u>	<u>893,760</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(543,211)	(835,275)	(1,085,161)	(620,134)	(494,320)	9
Purchase of Other Investments			1,321,780	(1,276,561)	2,107,681	10
Sale of Other Investments	3,482	6,401	8,329	69,202	24,462	11
Other						12
Net Cash Provided From Investing Activities	<u>(539,729)</u>	<u>(828,874)</u>	<u>244,948</u>	<u>(1,827,493)</u>	<u>1,637,823</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	153,283	(108,923)	(103,585)	(98,579)	(93,855)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(530,000)		(550,000)	(900,000)	(20,000)	17
Dividends Paid	(68,912)	(68,912)	(1,673,912)	(68,912)	(68,912)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(445,629)</u>	<u>(177,835)</u>	<u>(2,327,497)</u>	<u>(1,067,491)</u>	<u>(182,767)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(171,741)	161,472	16,812	(2,104,813)	2,348,816	21
Cash & Equivalents at Beginning of Year	447,004	285,532	268,720	2,373,533	24,717	22
Cash & Equivalents at End of Year	\$275,263	\$447,004	\$285,532	\$268,720	\$2,373,533	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,621,274	\$6,433,890	\$6,804,982	\$7,704,229	\$7,458,970
2 Access Lines	5,566	6,151	6,178	6,180	5,946
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,716,184	\$1,479,013	\$1,651,102	\$1,896,785	\$2,476,685
4 Depreciation and Amortization	588,149	636,556	643,087	515,967	491,154
5 Other Operations Expense	2,042,118	3,315,526	3,265,426	3,647,790	3,514,955
6 Total Operation Expenses	4,346,451	5,431,095	5,559,615	6,060,542	6,482,794
7 Income Taxes - Operating Taxes	(12,911)	(12,609)	253,318	337,043	157,864
8 Other Taxes - Operating Taxes	202,943	239,645	297,088	287,115	329,185
9 Capital Costs	1,084,791	775,759	694,961	1,019,529	489,127
10 Total	\$5,621,274	\$6,433,890	\$6,804,982	\$7,704,229	\$7,458,970
PERCENT OF REVENUES					
11 Wages and Benefits	30.5	23.0	24.3	24.6	33.2
12 Depreciation and Amortization	10.5	9.9	9.5	6.7	6.6
13 Other Operations Expense	36.3	51.5	48.0	47.3	47.1
14 Income Taxes - Operating Taxes	(0.2)	(0.2)	3.7	4.4	2.1
15 Other Taxes - Operating Taxes	3.6	3.7	4.4	3.7	4.4
16 Capital Costs	19.3	12.1	10.2	13.2	6.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	308.33	240.45	267.26	306.92	416.53
19 Depreciation and Amortization	105.67	103.49	104.09	83.49	82.60
20 Other Operations Expense	366.89	539.02	528.56	590.26	591.15
21 Income Taxes - Operating Taxes	(2.32)	(2.05)	41.00	54.54	26.55
22 Other Taxes - Operating Taxes	36.46	38.96	48.09	46.46	55.36
23 Capital Costs	194.90	126.12	112.49	164.97	82.26
24 Total	1,009.93	1,045.99	1,101.49	1,246.64	1,254.45

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,643,781	\$2,705,301	\$2,692,702	\$2,644,834	\$2,618,851	1
Central Office Assets	2,675,972	2,432,421	4,747,829	4,041,052	3,986,715	2
Information Origination/Termination	104,250	82,902	52,698	25,806	25,806	3
Cable And Wire Facilities	6,363,319	6,190,991	5,876,882	5,676,093	5,383,842	4
Amortizable Assets						5
Total Plant In Service	11,787,322	11,411,615	13,370,111	12,387,785	12,015,214	6
Property Held For Future Use						7
Plant Under Construction	138,599	226,430	316,358	296,903	273,865	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,925,921	11,638,045	13,686,469	12,684,688	12,289,079	13
Less Acc. Prov. For Depreciation & Amort.	5,867,919	5,526,725	7,801,735	7,207,534	6,797,619	14
Net Total Utility Plant	\$6,058,002	\$6,111,320	\$5,884,734	\$5,477,154	\$5,491,460	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.08	1.93	1.14	1.08	1.37	16
Total Capitalization	\$4,066,807	\$4,862,421	\$6,717,524	\$8,593,666	\$8,388,192	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	43.7%	38.9%	29.8%	24.5%	26.5%	18
Preferred Stock	3.4%	2.9%	2.1%	1.6%	1.7%	19
Common Stock & Retained Earnings	50.2%	45.1%	58.7%	60.1%	47.2%	20
Short-Term Debt	2.7%	13.1%	9.5%	13.8%	24.7%	21
Pretax Coverage of Interest Expense	0.40	-1.72	9.13	10.61	2.70	22
Com. Stock Dividends as a % of Earnings	-65.6%	-8.4%	144.3%	3.0%	14.8%	23
Return on Common Equity	-4.3%	-23.4%	25.4%	43.5%	10.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	149.8%	139.9%	193.5%	127.4%	180.8%	25
CWIP as a % of Plant	1.2%	1.9%	2.3%	2.3%	2.2%	26

Current Assets	1,344,018	2,350,310	1,561,321	2,275,563	4,875,453
Current Liabilities	1,247,796	1,217,417	1,363,806	2,105,503	3,549,971
Total Capitalization	4,066,807	4,862,421	6,717,524	8,593,666	8,388,192
Long-Term Debt	1,775,530	1,889,975	1,998,898	2,107,761	2,220,719
Preferred Stock	138,850	138,850	138,850	138,850	138,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,043,540	2,194,709	3,940,889	5,163,446	3,959,393
Short-Term Debt	108,887	638,887	638,887	1,183,609	2,069,230
Pretax Income	61,023	(459,723)	1,601,549	2,328,909	673,451
Interest Expense	154,363	267,583	175,405	219,518	249,840
Common Dividends Paid	59,888	59,888	1,664,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	(91,281)	(716,403)	1,154,043	1,982,815	403,468
Internal Cash	813,617	1,168,181	2,099,361	790,171	893,760
Cash Outflows for Construction	(543,211)	(835,275)	(1,085,161)	(620,134)	(494,320)
CWIP	138,599	226,430	316,358	296,903	273,865
Total Plant	11,925,921	11,638,045	13,686,469	12,684,688	12,289,079
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	36	26	23	28	36

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$1,184,892	\$1,334,129	\$979,345	\$1,223,602	\$1,184,743	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,340,142	1,018,773	1,139,407	(286,742)	850,144	2
Changes in Deferred Income Taxes	(100,895)	(101,377)	(71,765)	(37,331)	(108,044)	3
Changes in Working Capital	(178,293)	361,976	(1,723,369)	878,013	913,931	4
Capitalized AFDC - Equity	0					5
Other	(140,919)	72,151	(87,882)	544,063	(83,085)	6
Total Non-Cash Items	920,036	1,351,523	(743,609)	1,098,003	1,572,947	7
Net Cash Provided From Operating Activities	<u>2,104,927</u>	<u>2,685,651</u>	<u>235,736</u>	<u>2,321,605</u>	<u>2,757,690</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(138,657)	138,339	(990,415)	(1,550,957)	(3,942,660)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(138,657)</u>	<u>138,339</u>	<u>(990,415)</u>	<u>(1,550,957)</u>	<u>(3,942,660)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(19,500)	(37,500)	(70,500)	(217,000)	(2,500)	17
Dividends Paid	(1,945,000)	(2,787,000)		(487,000)	715,000	18
Other Financing			585,000		331,649	19
Net Cash Provided From Financing Activities	<u>(1,964,500)</u>	<u>(2,824,500)</u>	<u>514,500</u>	<u>(704,000)</u>	<u>1,044,149</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,770	(510)	(240,180)	66,648	(140,821)	21
Cash & Equivalents at Beginning of Year	17,092	17,602	257,781	191,133	331,954	22
Cash & Equivalents at End of Year	\$18,862	\$17,092	\$17,602	\$257,781	\$191,133	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$8,412,884	\$8,940,224	\$9,576,272	\$9,413,034	\$8,801,789
2 Access Lines	12,257	12,842	13,471	13,029	12,677

DOLLAR AMOUNTS

3 Wages and Benefits	\$2,196,897	\$2,344,900	\$2,587,387	\$2,477,072	\$2,363,119
4 Depreciation and Amortization	1,794,101	1,798,527	1,739,753	1,463,406	1,341,501
5 Other Operations Expense	2,559,675	2,677,327	3,154,973	3,157,591	2,895,444
6 Total Operation Expenses	6,550,673	6,820,754	7,482,113	7,098,069	6,600,064
7 Income Taxes - Operating Taxes	465,572	574,925	459,470	571,628	414,984
8 Other Taxes - Operating Taxes	496,642	374,847	606,948	455,824	614,262
9 Capital Costs	899,997	1,169,698	1,027,741	1,287,513	1,172,479
10 Total	\$8,412,884	\$8,940,224	\$9,576,272	\$9,413,034	\$8,801,789

PERCENT OF REVENUES

11 Wages and Benefits	26.1	26.2	27.0	26.3	26.8
12 Depreciation and Amortization	21.3	20.1	18.2	15.5	15.2
13 Other Operations Expense	30.4	29.9	32.9	33.5	32.9
14 Income Taxes - Operating Taxes	5.5	6.4	4.8	6.1	4.7
15 Other Taxes - Operating Taxes	5.9	4.2	6.3	4.8	7.0
16 Capital Costs	10.7	13.1	10.7	13.7	13.3
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	179.24	182.60	192.07	190.12	186.41
19 Depreciation and Amortization	146.37	140.05	129.15	112.32	105.82
20 Other Operations Expense	208.83	208.48	234.20	242.35	228.40
21 Income Taxes - Operating Taxes	37.98	44.77	34.11	43.87	32.74
22 Other Taxes - Operating Taxes	40.52	29.19	45.06	34.99	48.45
23 Capital Costs	73.43	91.08	76.29	98.82	92.49
24 Total	686.37	696.17	710.88	722.47	694.31

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,457,665	\$4,418,138	\$4,368,259	\$4,054,829	\$4,021,923	1
Central Office Assets	12,864,841	12,769,694	12,622,440	10,053,442	8,265,389	2
Information Origination/Termination	7,400	186,036	579,783	740,640	712,928	3
Cable And Wire Facilities	11,634,828	11,410,008	11,011,347	10,748,031	10,496,202	4
Amortizable Assets			3,685	3,685	47,336	5
Total Plant In Service	28,964,735	28,783,875	28,585,515	25,600,627	23,543,778	6
Property Held For Future Use						7
Plant Under Construction	32,901	75,102	411,800	2,406,273	2,912,163	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	28,997,636	28,858,977	28,997,315	28,006,900	26,455,941	13
Less Acc. Prov. For Depreciation & Amort.	13,743,722	12,403,580	11,384,806	10,245,399	10,532,142	14
Net Total Utility Plant	\$15,253,913	\$16,455,397	\$17,612,509	\$17,761,501	\$15,923,799	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.17	1.10	1.29	0.90	0.93	16
Total Capitalization	\$14,366,499	\$15,146,108	\$16,636,479	\$15,142,634	\$14,623,032	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	97.2%	97.2%	97.2%	96.5%	94.9%	20
Short-Term Debt	2.8%	2.8%	2.8%	3.5%	5.1%	21
Pretax Coverage of Interest Expense	66.03	69.49	46.27	48.35	38.31	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	8.3%	8.6%	6.4%	8.6%	9.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1518.1%	-1941.4%	23.8%	149.7%	69.9%	25
CWIP as a % of Plant	0.1%	0.3%	1.4%	8.6%	11.0%	26

Current Assets	2,989,034	2,977,044	3,234,533	7,903,451	2,514,218
Current Liabilities	2,560,666	2,715,974	2,511,847	8,737,317	2,689,499
Total Capitalization	14,366,499	15,146,108	16,636,479	15,142,634	14,623,032
Long-Term Debt	0	0			
Preferred Stock	0	0			
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,959,499	14,719,608	16,172,479	14,608,134	13,871,532
Short-Term Debt	407,000	426,500	464,000	534,500	751,500
Pretax Income	1,668,938	1,923,114	1,398,843	1,817,227	1,642,599
Interest Expense	25,275	27,675	30,232	37,582	42,872
Common Dividends Paid	0	0			
Net Income (Excl. Preferred Stock Dividends)	1,184,892	1,334,129	979,345	1,223,602	1,184,743
Internal Cash	2,104,927	2,685,651	235,736	2,321,605	2,757,690
Cash Outflows for Construction	(138,657)	138,339	(990,415)	(1,550,957)	(3,942,660)
CWIP	32,901	75,102	411,800	2,406,273	2,912,163
Total Plant	28,997,636	28,858,977	28,997,315	28,006,900	26,455,941
Shares Outstanding	100	100	100	100	100
Number of Employees	50	48	57	65	53

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$231,455	\$316,651	(\$508,897)	\$286,889	\$3,866,658	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	663,829	772,511	734,466	690,347	626,227	2
Changes in Deferred Income Taxes	(73,347)	267,334	(15,014)	(10,544)	87,561	3
Changes in Working Capital	(1,244,347)	110,607	422,350	(671,237)	423,551	4
Capitalized AFDC - Equity	0					5
Other	(198,096)	(243,346)	750,650	268,587	(3,384,808)	6
Total Non-Cash Items	(851,961)	907,106	1,892,452	277,153	(2,247,469)	7
Net Cash Provided From Operating Activities	(620,506)	1,223,757	1,383,555	564,042	1,619,189	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(322,508)	(764,068)	(859,085)	(785,245)	(731,921)	9
Purchase of Other Investments	(38,146)	(425,157)	(53,566)	(111,315)	(64,792)	10
Sale of Other Investments	644,689					11
Other	1,067	215,051	40,952	3,403	27,870	12
Net Cash Provided From Investing Activities	285,102	(974,174)	(871,699)	(893,157)	(768,843)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(199,081)	(187,438)	(176,590)	(166,398)	(156,897)	14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	409,817	110,888	(300,000)	300,000	(273,500)	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing	(56,343)	(37,772)	(58,608)	(83,656)	(77,187)	19
Net Cash Provided From Financing Activities	147,893	(120,822)	(541,698)	43,446	(514,084)	20
Net Increase (Decrease) in Cash & Equivalents	(187,511)	128,761	(29,842)	(285,669)	336,262	21
Cash & Equivalents at Beginning of Year	256,838	128,077	157,919	443,588	107,326	22
Cash & Equivalents at End of Year	\$69,327	\$256,838	\$128,077	\$157,919	\$443,588	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,520,864	\$3,662,542	\$3,676,547	\$4,041,014	\$3,967,416
2 Access Lines	4,010	4,131	4,142	4,092	3,885
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,468,971	\$1,524,954	\$1,502,037	\$1,423,435	\$1,451,859
4 Depreciation and Amortization	663,274	771,946	733,901	689,782	625,663
5 Other Operations Expense	858,281	958,162	1,006,357	918,077	874,093
6 Total Operation Expenses	2,990,526	3,255,062	3,242,295	3,031,294	2,951,615
7 Income Taxes - Operating Taxes	21,394	115,734	45,006	209,035	185,968
8 Other Taxes - Operating Taxes	173,356	163,534	159,921	166,818	187,541
9 Capital Costs	335,588	128,212	229,325	633,867	642,292
10 Total	\$3,520,864	\$3,662,542	\$3,676,547	\$4,041,014	\$3,967,416
PERCENT OF REVENUES					
11 Wages and Benefits	41.7	41.6	40.9	35.2	36.6
12 Depreciation and Amortization	18.8	21.1	20.0	17.1	15.8
13 Other Operations Expense	24.4	26.2	27.4	22.7	22.0
14 Income Taxes - Operating Taxes	0.6	3.2	1.2	5.2	4.7
15 Other Taxes - Operating Taxes	4.9	4.5	4.3	4.1	4.7
16 Capital Costs	9.5	3.5	6.2	15.7	16.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	366.33	369.15	362.64	347.86	373.71
19 Depreciation and Amortization	165.40	186.87	177.19	168.57	161.05
20 Other Operations Expense	214.04	231.94	242.96	224.36	224.99
21 Income Taxes - Operating Taxes	5.34	28.02	10.87	51.08	47.87
22 Other Taxes - Operating Taxes	43.23	39.59	38.61	40.77	48.27
23 Capital Costs	83.69	31.04	55.37	154.90	165.33
24 Total	878.02	886.60	887.63	987.54	1,021.21

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,808,669	\$2,889,581	\$2,808,848	\$2,721,714	\$2,706,507	1
Central Office Assets	4,289,686	4,266,582	4,138,817	3,950,953	3,675,287	2
Information Origination/Termination	42,217	51,153	53,062	56,131	56,131	3
Cable And Wire Facilities	5,399,866	5,274,755	4,934,594	4,608,191	4,315,847	4
Amortizable Assets	140,687	140,687	107,094	107,094	107,094	5
Total Plant In Service	12,681,125	12,622,758	12,042,415	11,444,083	10,860,866	6
Property Held For Future Use						7
Plant Under Construction	22,478	21,495	107,586	74,931	44,069	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	35,834	35,834	35,834	35,834	35,834	11
Goodwill						12
Total Telecommunications Plant	12,739,437	12,680,087	12,185,835	11,554,848	10,940,769	13
Less Acc. Prov. For Depreciation & Amort.	6,509,066	6,107,882	5,596,400	5,039,374	4,516,709	14
Net Total Utility Plant	\$6,230,371	\$6,572,205	\$6,589,435	\$6,515,474	\$6,424,060	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.71	2.37	2.75	3.35	2.27	16
Total Capitalization	\$10,150,252	\$10,220,749	\$9,818,575	\$10,878,795	\$10,548,460	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	16.4%	18.8%	20.8%	20.9%	23.9%	18
Preferred Stock	1.3%	1.3%	1.3%	1.2%	1.2%	19
Common Stock & Retained Earnings	78.2%	79.9%	77.9%	75.2%	74.8%	20
Short-Term Debt	4.0%	0.0%	0.0%	2.8%	0.0%	21
Pretax Coverage of Interest Expense	4.81	3.71	-2.12	3.86	23.41	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	2.8%	3.9%	-6.5%	3.5%	64.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-192.4%	160.2%	161.0%	71.8%	221.2%	25
CWIP as a % of Plant	0.2%	0.2%	0.9%	0.6%	0.4%	26

Current Assets	2,855,812	1,851,526	1,604,764	1,711,525	2,138,166
Current Liabilities	1,052,170	781,465	582,494	510,389	942,543
Total Capitalization	10,150,252	10,220,749	9,818,575	10,878,795	10,548,460
Long-Term Debt	1,667,972	1,923,396	2,037,718	2,272,916	2,522,970
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,942,463	8,167,353	7,650,857	8,175,879	7,895,490
Short-Term Debt	409,817	0	0	300,000	0
Pretax Income	596,559	483,806	(318,576)	645,271	4,217,110
Interest Expense	123,984	130,273	150,345	167,072	180,173
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	224,955	310,151	(515,397)	280,389	3,860,158
Internal Cash	(620,506)	1,223,757	1,383,555	564,042	1,619,189
Cash Outflows for Construction	(322,508)	(764,068)	(859,085)	(785,245)	(731,921)
CWIP	22,478	21,495	107,586	74,931	44,069
Total Plant	12,739,437	12,680,087	12,185,835	11,554,848	10,940,769
Shares Outstanding	140	140	140	140	140
Number of Employees	25	29	33	32	33

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$55,694,610	\$44,636,032	\$31,433,154	\$15,109,207	\$39,253,099	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	49,457,079	51,836,180	63,892,522	48,498,325	44,693,537	2
Changes in Deferred Income Taxes	2,538,117	12,395,025	15,423,908	470,996	12,101,026	3
Changes in Working Capital	145,221,905	(12,325,750)	(5,599,019)	1,304,205	5,155,519	4
Capitalized AFDC - Equity	(781,661,886)	(1,945,443)	(1,812,889)	(126,191)	(394,759)	5
Other	548,565,731	(61,638,152)	(39,093,558)	(3,308,522)	(58,428,575)	6
Total Non-Cash Items	(35,879,054)	(11,678,140)	32,810,964	46,838,813	3,126,748	7
Net Cash Provided From Operating Activities	19,815,556	32,957,892	64,244,118	61,948,020	42,379,847	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(19,157,073)	(34,850,221)	(40,041,422)	(61,956,553)	(42,339,048)	9
Purchase of Other Investments						10
Sale of Other Investments			(24,195,522)			11
Other						12
Net Cash Provided From Investing Activities	(19,157,073)	(34,850,221)	(64,236,944)	(61,956,553)	(42,339,048)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing		1,178,808				19
Net Cash Provided From Financing Activities	0	1,178,808	0	0	0	20
Net Increase (Decrease) in Cash & Equivalents	658,483	(713,521)	7,174	(8,533)	40,799	21
Cash & Equivalents at Beginning of Year	(711,340)	2,181	(4,993)	3,540	(37,259)	22
Cash & Equivalents at End of Year	(\$52,857)	(\$711,340)	\$2,181	(\$4,993)	\$3,540	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$246,507,920	\$237,307,049	\$228,305,441	\$216,293,216	\$234,965,318
2 Access Lines	317,202	321,627	315,747	315,747	307,286
DOLLAR AMOUNTS					
3 Wages and Benefits	\$17,134,635	\$50,546,396	\$53,036,449	\$52,196,609	\$46,132,180
4 Depreciation and Amortization	56,158,787	56,486,076	59,285,857	48,498,325	44,693,537
5 Other Operations Expense	66,913,296	41,019,778	50,982,820	59,380,948	63,664,423
6 Total Operation Expenses	140,206,718	148,052,250	163,305,126	160,075,882	154,490,140
7 Income Taxes - Operating Taxes	32,475,375	24,612,689	18,697,229	14,610,770	22,964,625
8 Other Taxes - Operating Taxes	13,514,307	13,662,432	11,710,813	15,505,682	14,800,575
9 Capital Costs	60,311,520	50,979,678	34,592,273	26,100,882	42,709,978
10 Total	\$246,507,920	\$237,307,049	\$228,305,441	\$216,293,216	\$234,965,318
PERCENT OF REVENUES					
11 Wages and Benefits	7.0	21.3	23.2	24.1	19.6
12 Depreciation and Amortization	22.8	23.8	26.0	22.4	19.0
13 Other Operations Expense	27.1	17.3	22.3	27.5	27.1
14 Income Taxes - Operating Taxes	13.2	10.4	8.2	6.8	9.8
15 Other Taxes - Operating Taxes	5.5	5.8	5.1	7.2	6.3
16 Capital Costs	24.5	21.5	15.2	12.1	18.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	54.02	157.16	167.97	165.31	150.13
19 Depreciation and Amortization	177.04	175.63	187.76	153.60	145.45
20 Other Operations Expense	210.95	127.54	161.47	188.06	207.18
21 Income Taxes - Operating Taxes	102.38	76.53	59.22	46.27	74.73
22 Other Taxes - Operating Taxes	42.60	42.48	37.09	49.11	48.17
23 Capital Costs	190.14	158.51	109.56	82.66	138.99
24 Total	777.13	737.83	723.06	685.02	764.65

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,

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$62,072,556	\$62,735,253	\$61,220,529	\$55,647,226	\$50,557,029	1
Central Office Assets	348,511,355	329,278,555	313,508,216	281,455,442	259,375,626	2
Information Origination/Termination	13,724,870	13,046,710	12,904,928	12,615,349	14,247,648	3
Cable And Wire Facilities	418,707,132	399,816,346	390,221,640	377,054,980	364,391,974	4
Amortizable Assets	3,898,823	3,981,974	4,457,829	4,384,578	652,913	5
Total Plant In Service	846,914,736	808,858,838	782,313,142	731,157,575	689,225,190	6
Property Held For Future Use						7
Plant Under Construction	10,884,812	29,783,636	22,282,860	34,255,915	27,819,449	8
Tel. Acquisition	142,404,998	142,404,998	141,601,249	141,659,385	141,604,883	9
Other Plant						10
Nonoperating Plant	37,599	37,598	37,599	37,599	37,599	11
Goodwill						12
Total Telecommunications Plant	1,000,242,145	981,085,070	946,234,850	907,110,474	858,687,121	13
Less Acc. Prov. For Depreciation & Amort.	515,345,570	465,888,491	414,052,311	374,355,311	339,390,186	14
Net Total Utility Plant	\$484,896,575	\$515,196,579	\$532,182,539	\$532,755,163	\$519,296,935	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.88	21.96	2.93	2.09	2.72	16
Total Capitalization	\$290,305,932	\$459,757,067	\$473,927,528	\$476,907,084	\$471,069,206	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	49.0%	60.2%	66.9%	69.8%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	51.0%	39.8%	33.1%	30.2%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	75.47	56.41	35.40	12.69	48.78	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	14.9%	9.6%	6.6%	3.2%	8.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	103.4%	94.6%	160.4%	100.0%	100.1%	25
CWIP as a % of Plant	1.1%	3.0%	2.4%	3.8%	3.2%	26

Notes:

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

Current Assets	821,766,062	40,344,545	40,317,775	37,767,140	47,085,680
Current Liabilities	928,630,994	1,837,057	13,752,367	18,087,479	17,282,658
Total Capitalization	290,305,932	459,757,067	473,927,528	476,907,084	471,069,206
Long-Term Debt	0	225,145,745	285,131,046	319,130,871	328,591,139
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	290,305,932	234,611,322	188,796,482	157,776,213	142,478,067
Short-Term Debt	0	0	0	0	0
Pretax Income	87,060,864	70,406,902	49,836,518	29,325,568	61,530,662
Interest Expense	1,153,644	1,248,039	1,407,779	2,311,264	1,261,271
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	55,694,610	44,636,032	31,433,154	15,109,207	39,181,295
Internal Cash	19,815,556	32,957,892	64,244,118	61,948,020	42,379,847
Cash Outflows for Construction	(19,157,073)	(34,850,221)	(40,041,422)	(61,956,553)	(42,339,048)
CWIP	10,884,812	29,783,636	22,282,860	34,255,915	27,819,449
Total Plant	1,000,242,145	981,085,071	946,234,850	907,110,474	858,687,121
Shares Outstanding	0	0	0	0	0
Number of Employees	304	315	348	354	351

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$70,438	(\$135,191)	\$131,538	\$248,139	\$216,471	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	603,573	590,279	562,992	526,456	509,109	2
Changes in Deferred Income Taxes	(126,362)	(154,136)	(162,349)	8,331	20,825	3
Changes in Working Capital	(441,752)	(235,897)	18,458	22,385	(463,343)	4
Capitalized AFDC - Equity						5
Other	140,669	460,419	469,953	74,634	99,111	6
Total Non-Cash Items	176,129	660,666	889,054	631,806	165,702	7
Net Cash Provided From Operating Activities	<u>246,567</u>	<u>525,474</u>	<u>1,020,592</u>	<u>879,945</u>	<u>382,174</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(407,329)	(303,342)	(759,244)	(232,518)	(315,081)	9
Purchase of Other Investments						10
Sale of Other Investments	44,387		37,453			11
Other	5,536	(96,373)	(275,354)	(125,346)	(124,169)	12
Net Cash Provided From Investing Activities	<u>(357,407)</u>	<u>(399,716)</u>	<u>(997,145)</u>	<u>(357,864)</u>	<u>(439,250)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(192,332)	221,069	(160,494)	(152,158)	(51,604)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	150,000	(200,000)	200,000	(77,822)		17
Dividends Paid	(84,000)	(84,000)	(71,400)	(50,400)	(50,400)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(126,332)</u>	<u>(62,931)</u>	<u>(31,894)</u>	<u>(280,380)</u>	<u>(102,004)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(237,172)	62,828	(8,447)	241,701	(159,080)	21
Cash & Equivalents at Beginning of Year	498,174	435,346	443,793	202,092	361,172	22
Cash & Equivalents at End of Year	\$261,003	\$498,174	\$435,346	\$443,793	\$202,092	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,376,225	\$ 3,356,322	\$3,432,698	\$3,759,248	\$4,082,577
2 Access Lines	1,964	1,959	1,975	1,886	1,841

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,493,930	\$1,499,475	\$1,615,936	\$1,737,214	\$1,831,918
4 Depreciation and Amortization	602,333	589,039	561,752	525,216	507,869
5 Other Operations Expense	801,101	786,490	740,526	812,516	1,044,531
6 Total Operation Expenses	2,897,363	2,875,005	2,918,213	3,074,946	3,384,318
7 Income Taxes - Operating Taxes	110,337	57,080	92,238	180,978	108,713
8 Other Taxes - Operating Taxes	3,190	135,331	115,193	161,950	202,431
9 Capital Costs	365,334	288,907	307,054	341,374	387,115
10 Total	\$3,376,225	\$3,356,322	\$3,432,698	\$3,759,248	\$4,082,577

PERCENT OF REVENUES

11 Wages and Benefits	44.2	44.7	47.1	46.2	44.9
12 Depreciation and Amortization	17.8	17.6	16.4	14.0	12.4
13 Other Operations Expense	23.7	23.4	21.6	21.6	25.6
14 Income Taxes - Operating Taxes	3.3	1.7	2.7	4.8	2.7
15 Other Taxes - Operating Taxes	0.1	4.0	3.4	4.3	5.0
16 Capital Costs	10.8	8.6	8.9	9.1	9.5
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	760.66	765.43	818.20	921.11	995.07
19 Depreciation and Amortization	306.69	300.68	284.43	278.48	275.87
20 Other Operations Expense	407.89	401.48	374.95	430.81	567.37
21 Income Taxes - Operating Taxes	56.18	29.14	46.70	95.96	59.05
22 Other Taxes - Operating Taxes	1.62	69.08	58.33	85.87	109.96
23 Capital Costs	186.02	147.48	155.47	181.00	210.27
24 Total	1,719.06	1,713.28	1,738.07	1,993.24	2,217.59

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,971,662	\$1,975,427	\$1,976,055	\$1,873,086	\$1,811,912	1
Central Office Assets	3,157,370	2,969,766	2,644,367	2,328,673	2,328,673	2
Information Origination/Termination	119,257	119,257	119,257	119,257	119,257	3
Cable And Wire Facilities	4,758,301	4,733,703	4,619,756	4,411,379	4,306,548	4
Amortizable Assets	214	214	214	214	214	5
Total Plant In Service	10,006,804	9,798,368	9,359,648	8,732,609	8,566,605	6
Property Held For Future Use						7
Plant Under Construction	114,979		181,942	137,256		8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,121,783	9,798,368	9,541,591	8,869,865	8,566,605	13
Less Acc. Prov. For Depreciation & Amort.	5,262,608	4,699,803	4,157,329	3,645,642	3,152,678	14
Net Total Utility Plant	\$4,859,174	\$5,098,565	\$5,384,262	\$5,224,223	\$5,413,927	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.39	4.68	1.70	3.09	1.67	16
Total Capitalization	\$8,410,305	\$8,465,717	\$8,901,295	\$8,550,922	\$8,567,420	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	38.5%	40.5%	36.1%	39.4%	41.1%	18
Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	59.4%	59.2%	61.4%	60.3%	57.7%	20
Short-Term Debt	1.8%		2.2%		0.9%	21
Pretax Coverage of Interest Expense	1.66	0.72	2.03	2.80	2.27	22
Com. Stock Dividends as a % of Earnings	119.3%	-62.1%	72.8%	28.8%	23.3%	23
Return on Common Equity	1.4%	-2.6%	1.8%	4.9%	4.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	60.5%	173.2%	134.4%	378.4%	121.3%	25
CWIP as a % of Plant	1.1%		1.9%	1.5%		26

Current Assets	1,247,885	1,153,935	1,067,558	961,440	999,995
Current Liabilities	283,937	246,452	627,830	310,760	599,866
Total Capitalization	8,410,305	8,465,717	8,901,295	8,550,922	8,567,420
Long-Term Debt	3,239,398	3,431,730	3,210,661	3,371,154	3,523,313
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,997,907	5,010,987	5,467,635	5,156,768	4,943,286
Short-Term Debt	150,000		200,000		77,822
Pretax Income	456,578	198,873	496,383	682,110	580,576
Interest Expense	275,803	276,984	244,257	243,458	255,488
Common Dividends Paid	84,000	84,000	71,400	71,400	50,400
Net Income (Excl. Preferred Stock Dividends)	70,438	(135,191)	98,137	248,139	216,471
Internal Cash	246,567	525,474	1,020,591	879,945	382,174
Cash Outflows for Construction	(407,329)	(303,342)	(759,244)	(232,518)	(315,081)
CWIP	114,979		181,942	137,256	
Total Plant	10,121,782	9,798,368	9,541,591	8,869,865	8,566,605
Shares Outstanding	420	420	420	420	420
Number of Employees	27	30	29	27	30

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$254,855)	(\$289,804)	(\$765,067)	\$548,656	\$3,157,747	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	255,322	284,438	263,576	187,015	186,697	2
Changes in Deferred Income Taxes	(76,150)	22,276	(2,833)	(3,648)	6,138	3
Changes in Working Capital	209,979	(80,635)	168,145	(166,993)	(43,264)	4
Capitalized AFDC - Equity						5
Other	56,439	69,086	635,527	(90,579)	(3,125,470)	6
Total Non-Cash Items	445,590	295,165	1,064,415	(74,205)	(2,975,899)	7
Net Cash Provided From Operating Activities	190,735	5,361	299,348	474,451	181,848	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(265,475)	(719,991)	(248,009)	(681,073)	(796,172)	9
Purchase of Other Investments	3,494	49,864	23,084	(205,921)	(67,552)	10
Sale of Other Investments	44,300					11
Other						12
Net Cash Provided From Investing Activities	(217,681)	(670,127)	(224,925)	(886,994)	(863,724)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	462,032	620,140	(32,049)	63,649	1,006,219	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(90,000)	(1,178)		(4,999)	61,178	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	372,032	618,962	(32,049)	58,650	1,067,397	20
Net Increase (Decrease) in Cash & Equivalents	345,086	(45,804)	42,374	(353,893)	385,521	21
Cash & Equivalents at Beginning of Year	111,485	157,289	114,915	468,808	83,287	22
Cash & Equivalents at End of Year	\$456,571	\$111,485	\$157,289	\$114,915	\$468,808	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$2,093,515	\$2,098,522	\$2,092,040	\$1,928,480	\$1,912,581
2 Access Lines	1,140	1,147	1,122	1,083	1,053
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,172,678	\$1,123,397	\$1,235,279	\$876,031	\$774,473
4 Depreciation and Amortization	254,886	284,002	263,140	186,580	186,260
5 Other Operations Expense	622,725	682,736	518,379	705,594	682,413
6 Total Operation Expenses	2,050,289	2,090,135	2,016,798	1,768,204	1,643,147
7 Income Taxes - Operating Taxes	(113,169)	(9,667)	(93,264)	20,871	39,087
8 Other Taxes - Operating Taxes	115,074	68,778	138,215	87,245	95,391
9 Capital Costs	41,321	(50,724)	30,292	52,159	134,956
10 Total	\$2,093,515	\$2,098,522	\$2,092,040	\$1,928,480	\$1,912,581
PERCENT OF REVENUES					
11 Wages and Benefits	56.0	53.5	59.0	45.4	40.5
12 Depreciation and Amortization	12.2	13.5	12.6	9.7	9.7
13 Other Operations Expense	29.7	32.5	24.8	36.6	35.7
14 Income Taxes - Operating Taxes	(5.4)	(0.5)	(4.5)	1.1	2.0
15 Other Taxes - Operating Taxes	5.5	3.3	6.6	4.5	5.0
16 Capital Costs	2.0	(2.4)	1.4	2.7	7.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,028.66	979.42	1,100.96	808.89	735.49
19 Depreciation and Amortization	223.58	247.60	234.53	172.28	176.89
20 Other Operations Expense	546.25	595.24	462.01	651.52	648.07
21 Income Taxes - Operating Taxes	(99.27)	(8.43)	(83.12)	19.27	37.12
22 Other Taxes - Operating Taxes	100.94	59.96	123.19	80.56	90.59
23 Capital Costs	36.25	(44.22)	27.00	48.16	128.16
24 Total	1,836.42	1,829.57	1,864.56	1,780.68	1,816.32

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,716,302	\$1,686,121	\$1,649,872	\$1,592,943	\$1,043,889	1
Central Office Assets	1,728,997	883,190	883,190	845,478	824,258	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	2,646,192	2,493,475	2,220,128	2,125,296	2,089,474	4
Amortizable Assets						5
Total Plant In Service	6,143,124	5,114,420	4,804,824	4,615,351	4,009,255	6
Property Held For Future Use						7
Plant Under Construction	974,207	1,667,613	1,329,406	1,277,036	1,093,460	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	7,117,331	6,782,033	6,134,230	5,892,387	5,102,715	13
Less Acc. Prov. For Depreciation & Amort.	3,027,034	2,769,445	2,558,761	2,297,172	2,003,390	14
Net Total Utility Plant	\$4,090,298	\$4,012,588	\$3,575,469	\$3,595,215	\$3,099,325	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.74	2.06	2.63	20.32	5.15	16
Total Capitalization	\$7,840,146	\$7,722,968	\$7,393,811	\$8,190,929	\$8,125,228	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	47.8%	42.5%	36.0%	33.4%	32.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	52.2%	56.3%	62.7%	66.0%	66.4%	20
Short-Term Debt		1.2%	1.2%	0.7%	0.8%	21
Pretax Coverage of Interest Expense	-0.94	-0.82	-4.91	4.57	32.21	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-6.0%	-6.5%	-15.2%	10.2%	88.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	71.8%	0.7%	120.7%	69.7%	22.8%	25
CWIP as a % of Plant	13.7%	24.6%	21.7%	21.7%	21.4%	26

Current Assets	1,169,193	744,388	577,939	537,464	863,007
Current Liabilities	671,340	361,064	220,115	26,451	167,623
Total Capitalization	7,840,146	7,722,968	7,393,811	8,190,929	8,125,228
Long-Term Debt	3,747,412	3,285,380	2,665,240	2,732,289	2,668,640
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,092,734	4,347,588	4,637,392	5,402,461	5,395,410
Short-Term Debt		90,000	91,178	56,178	61,178
Pretax Income	(180,559)	(137,120)	(717,633)	710,160	3,285,183
Interest Expense	192,313	168,143	146,195	155,407	101,988
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(254,855)	(289,804)	(765,067)	548,656	3,157,747
Internal Cash	190,735	5,361	299,348	474,451	181,848
Cash Outflows for Construction	(265,475)	(719,991)	(248,009)	(681,073)	(796,172)
CWIP	974,207	1,667,613	1,329,406	1,277,036	1,093,460
Total Plant	7,117,331	6,782,033	6,134,230	5,892,387	5,102,715
Shares Outstanding	243	243	243	243	243
Number of Employees	13	16	19	17	16

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$2,034,739)	\$2,844,248	\$112,620	\$750,330	\$462,646	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	673,314	647,048	624,432	586,104	460,947	2
Changes in Deferred Income Taxes	17,748	45,854	(76,932)	(233,435)	272,407	3
Changes in Working Capital	286,329	(195,212)	143,902	26,903	205,514	4
Capitalized AFDC - Equity						5
Other	2,157,870	(2,657,934)	(72,577)	(205,069)	(103,847)	6
Total Non-Cash Items	3,135,261	(2,160,244)	618,825	174,503	835,021	7
Net Cash Provided From Operating Activities	<u>1,100,522</u>	<u>684,004</u>	<u>731,445</u>	<u>924,833</u>	<u>1,297,667</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(315,344)	(580,416)	(509,499)	(667,406)	(871,178)	9
Purchase of Other Investments	(43,349)	(144,582)	(354,452)	(708,666)	30,352	10
Sale of Other Investments	53,488		(50,639)	(415,432)	495,547	11
Other			275,491	554,976	(681,837)	12
Net Cash Provided From Investing Activities	<u>(305,205)</u>	<u>(724,998)</u>	<u>(639,099)</u>	<u>(1,236,528)</u>	<u>(1,027,116)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(112,163)	(104,094)	(96,659)	(89,681)	(83,326)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(6,435)	27,354				17
Dividends Paid	(138,600)	(99,000)	(138,600)	(138,600)	(108,900)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(257,198)</u>	<u>(175,740)</u>	<u>(235,259)</u>	<u>(228,281)</u>	<u>(192,226)</u>	20
Net Increase (Decrease) in Cash & Equivalents	538,119	(216,734)	(142,913)	(539,976)	78,325	21
Cash & Equivalents at Beginning of Year	362,373	579,107	722,020	1,261,996	1,183,671	22
Cash & Equivalents at End of Year	\$900,492	\$362,373	\$579,107	\$722,020	\$1,261,996	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$4,207,739	\$4,082,191	\$4,017,534	\$3,923,848	\$3,741,066
2 Access Lines	5,629	5,721	5,515	5,449	5,359
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,672,296	\$1,678,381	\$1,330,484	\$1,216,068	\$1,130,234
4 Depreciation and Amortization	672,576	646,310	623,694	585,366	460,209
5 Other Operations Expense	1,308,735	1,160,591	906,505	768,636	833,650
6 Total Operation Expenses	3,653,607	3,485,282	2,860,683	2,570,070	2,424,093
7 Income Taxes - Operating Taxes	59,636	66,026	280,603	315,454	317,013
8 Other Taxes - Operating Taxes	210,008	194,291	182,518	182,402	197,233
9 Capital Costs	284,488	336,592	693,730	855,922	802,727
10 Total	\$4,207,739	\$4,082,191	\$4,017,534	\$3,923,848	\$3,741,066
PERCENT OF REVENUES					
11 Wages and Benefits	39.7	41.1	33.1	31.0	30.2
12 Depreciation and Amortization	16.0	15.8	15.5	14.9	12.3
13 Other Operations Expense	31.1	28.4	22.6	19.6	22.3
14 Income Taxes - Operating Taxes	1.4	1.6	7.0	8.0	8.5
15 Other Taxes - Operating Taxes	5.0	4.8	4.5	4.6	5.3
16 Capital Costs	6.8	8.2	17.3	21.8	21.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	297.09	293.37	241.25	223.17	210.90
19 Depreciation and Amortization	119.48	112.97	113.09	107.43	85.88
20 Other Operations Expense	232.50	202.87	164.37	141.06	155.56
21 Income Taxes - Operating Taxes	10.59	11.54	50.88	57.89	59.16
22 Other Taxes - Operating Taxes	37.31	33.96	33.09	33.47	36.80
23 Capital Costs	50.54	58.83	125.79	157.08	149.79
24 Total	747.51	713.55	728.47	720.10	698.09

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,018,524	\$2,069,720	\$1,976,150	\$1,912,770	\$1,725,833	1
Central Office Assets	3,666,373	3,524,172	3,441,934	3,257,402	3,297,599	2
Information Origination/Termination	177,525	178,708	187,171	188,612	190,219	3
Cable And Wire Facilities	5,769,536	5,715,889	5,601,536	5,402,625	5,263,227	4
Amortizable Assets						5
Total Plant In Service	11,631,958	11,488,489	11,206,791	10,761,409	10,476,878	6
Property Held For Future Use						7
Plant Under Construction	308,978	327,557	226,957	246,677	224,369	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,940,936	11,816,046	11,433,748	11,008,086	10,701,247	13
Less Acc. Prov. For Depreciation & Amort.	6,176,990	5,630,388	5,182,195	4,642,338	4,417,540	14
Net Total Utility Plant	\$5,763,946	\$6,185,658	\$6,251,553	\$6,365,748	\$6,283,707	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.58	4.71	4.84	4.45	4.01	16
Total Capitalization	\$10,720,403	\$10,720,404	\$10,720,405	\$10,720,406	\$10,720,407	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	12.7%	11.3%	15.2%	15.8%	16.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	87.1%	88.5%	84.8%	84.2%	83.3%	20
Short-Term Debt	0.2%	0.2%				21
Pretax Coverage of Interest Expense	-16.25	25.87	3.82	9.12	6.79	22
Com. Stock Dividends as a % of Earnings	-6.8%	3.5%	123.1%	18.5%	23.5%	23
Return on Common Equity	-19.2%	27.5%	1.3%	8.3%	5.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	349.0%	117.8%	143.6%	138.6%	149.0%	25
CWIP as a % of Plant	2.6%	2.8%	2.0%	2.2%	2.1%	26

Current Assets	3,340,644	3,220,363	3,225,731	2,919,569	2,703,472
Current Liabilities	728,727	683,679	666,091	656,629	673,797
Total Capitalization	10,935,109	13,227,046	10,558,538	10,748,606	10,720,407
Long-Term Debt	1,385,387	1,497,550	1,601,643	1,698,303	1,787,984
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,528,803	11,702,142	8,956,895	9,050,303	8,932,423
Short-Term Debt	20,919	27,354			
Pretax Income	(1,840,594)	3,037,750	477,103	1,202,780	939,519
Interest Expense	113,258	117,437	124,790	131,814	138,382
Common Dividends Paid	138,600	99,000	138,600	138,600	108,900
Net Income (Excl. Preferred Stock Dividends)	(2,034,739)	2,844,248	112,620	750,330	462,646
Internal Cash	1,100,522	684,004	731,445	924,833	1,297,667
Cash Outflows for Construction	(315,344)	(580,416)	(509,499)	(667,406)	(871,178)
CWIP	308,978	327,557	226,957	246,677	224,369
Total Plant	11,940,936	11,816,046	11,433,748	11,008,086	10,701,247
Shares Outstanding	39,600	39,600	39,600	39,600	39,600
Number of Employees	26	26	27	26	25

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$181,254	\$411,181	\$540,412	\$1,436,973	\$849,623	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,393,947	1,348,467	1,326,364	1,291,812	1,244,710	2
Changes in Deferred Income Taxes	(43,164)	33,499	118,721	(125,342)	(69,672)	3
Changes in Working Capital	180,188	257,907	315,394	145,119	(341,148)	4
Capitalized AFDC - Equity	0					5
Other	(14,438)	144,654	(30,457)	39,440	77,855	6
Total Non-Cash Items	1,516,533	1,784,527	1,730,022	1,351,029	911,745	7
Net Cash Provided From Operating Activities	<u>1,697,787</u>	<u>2,195,708</u>	<u>2,270,434</u>	<u>2,788,002</u>	<u>1,761,368</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,218,031)	(923,534)	(829,480)	(673,735)	(990,782)	9
Purchase of Other Investments	0	0				10
Sale of Other Investments	0	0				11
Other	118,647	(15,463)	33,885	6,884	5,786	12
Net Cash Provided From Investing Activities	<u>(1,099,384)</u>	<u>(938,997)</u>	<u>(795,595)</u>	<u>(666,851)</u>	<u>(984,996)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(25,359)	41,496				14
Common Stock	(575,000)					15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(575,000)	(575,000)		(575,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(600,359)</u>	<u>(533,504)</u>	<u>(575,000)</u>	<u>0</u>	<u>(575,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,956)	723,207	899,839	2,121,151	201,372	21
Cash & Equivalents at Beginning of Year	8,315,679	7,592,472	6,692,633	4,571,482	4,370,110	22
Cash & Equivalents at End of Year	\$8,313,723	\$8,315,679	\$7,592,472	\$6,692,633	\$4,571,482	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$6,184,106	\$6,194,736	\$6,131,073	\$7,158,106	\$6,710,078
2 Access Lines	9,806	9,940	9,921	9,376	9,760
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,189,598	\$1,200,223	\$1,016,386	\$926,321	\$1,179,111
4 Depreciation and Amortization	1,393,947	1,348,466	1,326,365	1,291,812	1,244,711
5 Other Operations Expense	3,016,880	2,758,573	2,707,290	2,919,004	2,876,387
6 Total Operation Expenses	5,600,425	5,307,262	5,050,040	5,137,138	5,300,209
7 Income Taxes - Operating Taxes	221,252	253,188	434,795	566,566	256,622
8 Other Taxes - Operating Taxes	230,751	322,968	288,138	330,643	465,734
9 Capital Costs	131,678	311,317	358,100	1,123,759	687,514
10 Total	\$6,184,106	\$6,194,736	\$6,131,073	\$7,158,106	\$6,710,078
PERCENT OF REVENUES					
11 Wages and Benefits	19.2	19.4	16.6	12.9	17.6
12 Depreciation and Amortization	22.5	21.8	21.6	18.0	18.5
13 Other Operations Expense	48.8	44.5	44.2	40.8	42.9
14 Income Taxes - Operating Taxes	3.6	4.1	7.1	7.9	3.8
15 Other Taxes - Operating Taxes	3.7	5.2	4.7	4.6	6.9
16 Capital Costs	2.1	5.0	5.8	15.7	10.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	121.31	120.75	102.45	98.80	120.81
19 Depreciation and Amortization	142.15	135.66	133.69	137.78	127.53
20 Other Operations Expense	307.66	277.52	272.88	311.33	294.71
21 Income Taxes - Operating Taxes	22.56	25.47	43.83	60.43	26.29
22 Other Taxes - Operating Taxes	23.53	32.49	29.04	35.26	47.72
23 Capital Costs	13.43	31.32	36.10	119.85	70.44
24 Total	630.65	623.21	617.99	763.45	687.51

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,851,347	\$1,813,018	\$2,744,778	\$2,747,570	\$2,667,924	1
Central Office Assets	7,902,560	7,480,969	7,598,383	7,335,934	7,162,265	2
Information Origination/Termination	23,402	19,624	117,964	135,730	126,073	3
Cable And Wire Facilities	9,709,177	9,334,561	8,989,658	8,831,861	8,563,502	4
Amortizable Assets	709,932	1,028,903				5
Total Plant In Service	20,196,418	19,677,075	19,450,783	19,051,095	18,519,764	6
Property Held For Future Use						7
Plant Under Construction	413,532	122,865	40,301	6,220	63,743	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	20,609,950	19,799,940	19,491,084	19,057,315	18,583,507	13
Less Acc. Prov. For Depreciation & Amort.	11,683,020	10,701,427	9,985,736	9,060,016	7,961,329	14
Net Total Utility Plant	\$8,926,930	\$9,098,514	\$9,505,348	\$9,997,299	\$10,622,178	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	9.63	9.52	9.22	10.67	7.93	16
Total Capitalization	\$14,755,645	\$15,165,820	\$15,288,144	\$15,322,733	\$13,885,758	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.2%	0.3%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	99.8%	99.7%	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	262.23	4407.11	3884.55		2632.80	22
Com. Stock Dividends as a % of Earnings	317.2%	139.8%	106.4%	0.0%	67.7%	23
Return on Common Equity	1.2%	2.7%	3.5%	9.8%	6.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	139.4%	237.8%	273.7%	413.8%	177.8%	25
CWIP as a % of Plant	2.0%	0.6%	0.2%	0.0%	0.3%	26

Current Assets	9,632,718	9,944,485	9,572,178	8,699,162	6,786,171
Current Liabilities	1,000,599	1,044,801	1,038,494	814,977	855,378
Total Capitalization	14,755,645	15,165,820	15,288,144	15,322,733	13,885,758
Long-Term Debt	25,067	41,496			
Preferred Stock	0	0			
Common Stock and Retained Earnings (Excl. Preferred Stock)	14,730,578	15,124,324	15,288,144	15,322,733	13,885,759
Short-Term Debt	0	0			
Pretax Income	433,721	718,360	1,082,468	2,123,088	1,210,375
Interest Expense	1,654	163	279		460
Common Dividends Paid	575,000	575,000	575,000		575,000
Net Income (Excl. Preferred Stock Dividends)	181,254	411,181	540,412	1,436,973	849,623
Internal Cash	1,697,787	2,195,708	2,270,434	2,788,002	1,761,368
Cash Outflows for Construction	(1,218,031)	(923,534)	(829,480)	(673,735)	(990,782)
CWIP	413,532	122,865	40,301	6,220	63,743
Total Plant	20,609,950	19,799,940	19,491,084	19,057,315	18,583,507
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	21	22	23	24	32

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$264,022	\$336,343	\$646,505	\$294,446	\$594,069	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,278,368	1,233,842	1,166,920	990,946	900,898	2
Changes in Deferred Income Taxes	55,312	29,470	(103,749)	(16,274)	34,956	3
Changes in Working Capital	656,987	124,734	435,345	(1,058,866)	286,401	4
Capitalized AFDC - Equity						5
Other	(732,800)	650,641	814,569	771,530	(818,361)	6
Total Non-Cash Items	1,257,867	2,038,687	2,313,085	687,336	403,894	7
Net Cash Provided From Operating Activities	<u>1,521,889</u>	<u>2,375,030</u>	<u>2,959,590</u>	<u>981,782</u>	<u>997,963</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(980,628)	(1,041,568)	(1,133,101)	(1,227,679)	(1,562,882)	9
Purchase of Other Investments	(287,314)	(57,301)	(99,393)	(41,250)	320,555	10
Sale of Other Investments	250,948	71,213	48,963	435	52,664	11
Other						12
Net Cash Provided From Investing Activities	<u>(1,016,994)</u>	<u>(1,027,656)</u>	<u>(1,183,531)</u>	<u>(1,268,494)</u>	<u>(1,189,663)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(244,197)	(186,348)	15,838	(43,101)	(43,046)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(141,071)	(11,500)	(1,288,100)	565,900	1,174,263	17
Dividends Paid	(485,417)		(228,794)	(228,793)	(915,057)	18
Other Financing		(780,245)				19
Net Cash Provided From Financing Activities	<u>(870,685)</u>	<u>(978,093)</u>	<u>(1,501,056)</u>	<u>294,006</u>	<u>216,160</u>	20
Net Increase (Decrease) in Cash & Equivalents	(365,790)	369,281	275,003	7,294	24,460	21
Cash & Equivalents at Beginning of Year	877,647	508,366	233,363	226,069	201,609	22
Cash & Equivalents at End of Year	\$511,857	\$877,647	\$508,366	\$233,363	\$226,069	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$7,676,541	\$8,107,999	\$8,652,331	\$7,621,310	\$7,361,440
2 Access Lines	10,823	11,371	11,475	11,419	11,060
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,529,041	\$2,599,240	\$2,716,902	\$2,764,246	\$2,446,586
4 Depreciation and Amortization	1,277,911	1,233,384	1,166,462	990,489	900,441
5 Other Operations Expense	3,217,573	3,191,093	3,590,489	2,528,524	2,378,105
6 Total Operation Expenses	7,024,525	7,023,717	7,473,853	6,283,259	5,725,132
7 Income Taxes - Operating Taxes	24,524	224,738	176,547	152,387	256,470
8 Other Taxes - Operating Taxes	353,379	321,004	277,631	397,881	390,755
9 Capital Costs	274,113	538,540	724,300	787,783	989,083
10 Total	\$7,676,541	\$8,107,999	\$8,652,331	\$7,621,310	\$7,361,440
PERCENT OF REVENUES					
11 Wages and Benefits	32.9	32.1	31.4	36.3	33.2
12 Depreciation and Amortization	16.6	15.2	13.5	13.0	12.2
13 Other Operations Expense	41.9	39.4	41.5	33.2	32.3
14 Income Taxes - Operating Taxes	0.3	2.8	2.0	2.0	3.5
15 Other Taxes - Operating Taxes	4.6	4.0	3.2	5.2	5.3
16 Capital Costs	3.6	6.6	8.4	10.3	13.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	233.67	228.58	236.77	242.07	221.21
19 Depreciation and Amortization	118.07	108.47	101.65	86.74	81.41
20 Other Operations Expense	297.29	280.63	312.90	221.43	215.02
21 Income Taxes - Operating Taxes	2.27	19.76	15.39	13.35	23.19
22 Other Taxes - Operating Taxes	32.65	28.23	24.19	34.84	35.33
23 Capital Costs	25.33	47.36	63.12	68.99	89.43
24 Total	709.28	713.04	754.02	667.42	665.59

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,505,796	\$4,632,858	\$4,506,851	\$4,170,443	\$3,876,119	1
Central Office Assets	7,463,761	7,062,424	6,665,057	6,379,264	6,014,475	2
Information Origination/Termination	438,556	438,556	1,056,790	1,127,858	1,117,385	3
Cable And Wire Facilities	5,470,963	5,226,916	5,103,802	4,648,712	4,552,293	4
Amortizable Assets	130,699	130,699	130,699	130,699		5
Total Plant In Service	18,009,775	17,491,453	17,463,199	16,456,976	15,560,272	6
Property Held For Future Use						7
Plant Under Construction	124,374	309,343	222,746	652,466	474,332	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,134,149	17,800,796	17,685,945	17,109,442	16,034,604	13
Less Acc. Prov. For Depreciation & Amort.	10,991,817	10,110,233	9,509,301	8,813,554	7,926,665	14
Net Total Utility Plant	\$7,142,332	\$7,690,563	\$8,176,644	\$8,295,888	\$8,107,939	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.81	0.89	0.81	0.57	0.52	16
Total Capitalization	\$10,869,177	\$11,475,840	\$12,117,588	\$12,743,345	\$12,383,687	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	18.0%	18.9%	19.6%	18.9%	20.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	58.6%	57.4%	58.1%	50.1%	52.9%	20
Short-Term Debt	23.4%	23.7%	22.3%	31.0%	27.0%	21
Pretax Coverage of Interest Expense	2.61	2.96	2.59	1.99	3.33	22
Com. Stock Dividends as a % of Earnings	166.7%	268.4%		136.4%	147.3%	23
Return on Common Equity	4.5%	4.3%	6.2%	5.2%	9.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	155.2%	228.0%	261.2%	80.0%	63.9%	25
CWIP as a % of Plant	0.7%	1.7%	1.3%	3.8%	3.0%	26

Current Assets	3,241,056	3,733,389	3,414,083	3,198,340	2,391,831
Current Liabilities	4,001,822	4,191,303	4,212,985	5,617,205	4,579,863
Total Capitalization	10,869,177	11,475,840	12,117,588	12,743,345	12,383,687
Long-Term Debt	1,959,212	2,167,987	2,380,311	2,408,403	2,488,595
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,369,756	6,591,151	7,035,051	6,388,546	6,551,687
Short-Term Debt	2,540,209	2,716,702	2,702,226	3,946,396	3,343,405
Pretax Income	512,274	777,741	967,788	980,440	1,252,822
Interest Expense	196,541	262,435	373,151	493,390	375,756
Common Dividends Paid	485,417	780,245		457,587	915,057
Net Income (Excl. Preferred Stock Dividends)	291,209	290,701	418,122	335,359	621,204
Internal Cash	1,521,889	2,375,030	2,959,590	981,782	997,963
Cash Outflows for Construction	(980,628)	(1,041,568)	(1,133,101)	(1,227,679)	(1,562,882)
CWIP	124,374	309,343	222,746	652,466	474,332
Total Plant	18,134,149	17,800,796	17,685,945	17,109,442	16,034,604
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	66	81	117	108	112

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$237,017	\$326,945	\$414,096	\$558,422	\$457,185	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	661,542	652,388	699,811	708,789	713,345	2
Changes in Deferred Income Taxes	78,087	49,233	(14,755)	(22,241)	(120)	3
Changes in Working Capital	(87,576)	171,426	166,784	(296,679)	1,149,278	4
Capitalized AFDC - Equity					(2,098)	5
Other	50,816	49,359	64,762	1,035,863	(63,669)	6
Total Non-Cash Items	702,869	922,406	916,602	1,425,732	1,796,736	7
Net Cash Provided From Operating Activities	<u>939,886</u>	<u>1,249,351</u>	<u>1,330,698</u>	<u>1,984,154</u>	<u>2,253,921</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(395,430)	(452,367)	(403,093)	(606,675)	(683,570)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	1,134	(33,612)	(11,153)	(6,588)	(998)	12
Net Cash Provided From Investing Activities	<u>(394,296)</u>	<u>(485,979)</u>	<u>(414,246)</u>	<u>(613,263)</u>	<u>(684,568)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(95,615)	(90,665)	(86,005)	(81,448)	(77,305)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(499,996)	(499,996)	(499,997)	(499,997)		18
Other Financing*						19
Net Cash Provided From Financing Activities	<u>(595,611)</u>	<u>(590,661)</u>	<u>(586,002)</u>	<u>(581,445)</u>	<u>(77,305)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(50,021)	172,711	330,450	789,446	1,492,048	21
Cash & Equivalents at Beginning of Year	4,047,278	3,874,567	3,544,117	2,754,671	1,262,623	22
Cash & Equivalents at End of Year	\$3,997,257	\$4,047,278	\$3,874,567	\$3,544,117	\$2,754,671	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$2,736,976	\$2,598,497	\$2,690,460	\$2,849,933	\$2,754,462
2 Access Lines	2,825	2,812	2,515	2,507	2,316
DOLLAR AMOUNTS					
3 Wages and Benefits	\$335,318	\$281,916	\$277,795	\$265,597	\$248,095
4 Depreciation and Amortization	661,542	652,388	699,811	708,789	701,659
5 Other Operations Expense	1,012,329	953,349	916,397	962,681	934,682
6 Total Operation Expenses	2,009,189	1,887,653	1,894,004	1,937,067	1,884,436
7 Income Taxes - Operating Taxes	191,429	135,154	196,089	236,139	224,678
8 Other Taxes - Operating Taxes	150,516	145,848	119,591	160,798	156,228
9 Capital Costs	385,842	429,842	480,777	515,929	489,120
10 Total	\$2,736,976	\$2,598,497	\$2,690,460	\$2,849,933	\$2,754,462
PERCENT OF REVENUES					
11 Wages and Benefits	12.3	10.8	10.3	9.3	9.0
12 Depreciation and Amortization	24.2	25.1	26.0	24.9	25.5
13 Other Operations Expense	37.0	36.7	34.1	33.8	33.9
14 Income Taxes - Operating Taxes	7.0	5.2	7.3	8.3	8.2
15 Other Taxes - Operating Taxes	5.5	5.6	4.4	5.6	5.7
16 Capital Costs	14.1	16.5	17.9	18.1	17.8
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	118.70	100.25	110.46	105.94	107.12
19 Depreciation and Amortization	234.17	232.00	278.25	282.72	302.96
20 Other Operations Expense	358.35	339.03	364.37	384.00	403.58
21 Income Taxes - Operating Taxes	67.76	48.06	77.97	94.19	97.01
22 Other Taxes - Operating Taxes	53.28	51.87	47.55	64.14	67.46
23 Capital Costs	136.58	152.86	191.16	205.80	211.19
24 Total	968.84	924.07	1,069.77	1,136.79	1,189.32

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,130,387	\$1,094,163	\$1,433,835	\$1,381,666	\$1,378,568	1
Central Office Assets	3,235,357	3,119,467	2,940,826	3,091,221	2,866,312	2
Information Origination/Termination	20,728	23,470	30,953	59,070	98,610	3
Cable And Wire Facilities	6,046,763	5,872,383	5,733,383	5,619,009	5,472,787	4
Amortizable Assets	75,296	411,013	150	150	150	5
Total Plant In Service	10,508,531	10,520,496	10,139,147	10,151,116	9,816,427	6
Property Held For Future Use						7
Plant Under Construction	37,818	61,121	43,154	170,506	13,479	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,546,349	10,581,617	10,182,301	10,321,622	9,829,906	13
Less Acc. Prov. For Depreciation & Amort.	6,536,489	6,317,175	5,753,909	5,607,008	5,019,911	14
Net Total Utility Plant	\$4,009,860	\$4,264,442	\$4,428,392	\$4,714,614	\$4,809,995	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	13.05	11.63	11.42	13.38	6.22	16
Total Capitalization	\$6,485,600	\$6,844,194	\$7,107,912	\$7,279,817	\$7,302,839	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	24.6%	24.8%	25.2%	25.9%	26.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	73.9%	73.8%	73.5%	73.0%	71.9%	20
Short-Term Debt	1.5%	1.4%	1.3%	1.2%	1.1%	21
Pretax Coverage of Interest Expense	3.56	3.51	4.26	8.34	6.84	22
Com. Stock Dividends as a % of Earnings	211.0%	152.9%	120.7%	89.5%		23
Return on Common Equity	4.8%	6.4%	7.9%	10.6%	9.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	237.7%	276.2%	330.1%	327.1%	329.7%	25
CWIP as a % of Plant	0.4%	0.6%	0.4%	1.7%	0.1%	26

Current Assets	4,535,547	4,564,179	4,580,850	4,364,531	3,512,476
Current Liabilities	347,623	392,446	400,961	326,103	564,362
Total Capitalization	6,485,600	6,844,194	7,107,912	7,279,817	7,302,839
Long-Term Debt	1,595,024	1,695,837	1,791,427	1,882,099	1,967,757
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,790,277	5,053,256	5,226,309	5,312,208	5,253,782
Short-Term Debt	100,299	95,101	90,176	85,510	81,300
Pretax Income	615,982	642,487	834,859	969,406	824,432
Interest Expense	173,271	183,162	196,116	116,256	120,463
Common Dividends Paid	499,996	499,996	499,997	499,997	
Net Income (Excl. Preferred Stock Dividends)	237,017	326,945	414,096	558,422	457,185
Internal Cash	939,886	1,249,351	1,330,698	1,984,154	2,253,921
Cash Outflows for Construction	(395,430)	(452,367)	(403,093)	(606,675)	(683,570)
CWIP	37,818	61,121	43,154	170,506	13,479
Total Plant	10,546,349	10,581,617	10,182,301	10,321,622	9,829,906
Shares Outstanding	676	676	676	676	676
Number of Employees	6	6	6	6	5

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$315,470	\$577,162	\$367,340	\$717,338	\$1,441,033	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,746,383	1,790,560	1,621,151	1,329,586	1,059,018	2
Changes in Deferred Income Taxes	285,279	453,447	559,165	(245,194)	347,281	3
Changes in Working Capital	810,797	(1,680,266)	593,621	(486,408)	144,933	4
Capitalized AFDC - Equity						5
Other	18,538	(56,209)	(117,160)	244,578	561,842	6
Total Non-Cash Items	2,860,997	507,532	2,656,777	842,562	2,113,074	7
Net Cash Provided From Operating Activities	<u>3,176,467</u>	<u>1,084,694</u>	<u>3,024,117</u>	<u>1,559,900</u>	<u>3,554,107</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(987,612)	(1,064,410)	(1,822,475)	(1,062,754)	(1,148,708)	9
Purchase of Other Investments	(386,045)	115,483	(514,164)	(625,823)	(874,493)	10
Sale of Other Investments	22,412	520,000	(125,171)	(91,507)	141,904	11
Other	(525,146)	(116,403)	(100,043)		(726,348)	12
Net Cash Provided From Investing Activities	<u>(1,876,391)</u>	<u>(545,330)</u>	<u>(2,561,853)</u>	<u>(1,780,084)</u>	<u>(2,607,645)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(167,807)	(160,909)	(156,867)	(153,481)		14
Common Stock					(237,646)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(167,807)</u>	<u>(160,909)</u>	<u>(156,867)</u>	<u>(153,481)</u>	<u>(237,646)</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,132,269	378,455	305,397	(373,665)	708,816	21
Cash & Equivalents at Beginning of Year	2,034,817	1,656,362	1,350,965	1,724,630	1,015,814	22
Cash & Equivalents at End of Year	\$3,167,086	\$2,034,817	\$1,656,362	\$1,350,965	\$1,724,630	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,942,976	\$6,348,568	\$6,125,513	\$5,848,768	\$6,490,680
2 Access Lines	8,521	8,752	8,783	8,745	8,448
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,846,841	\$1,832,329	\$1,826,394	\$1,852,696	\$1,885,300
4 Depreciation and Amortization	1,746,383	1,754,639	1,613,294	1,563,845	1,051,162
5 Other Operations Expense	1,604,776	1,585,210	1,287,457	998,223	1,315,397
6 Total Operation Expenses	5,198,000	5,172,178	4,727,145	4,414,764	4,251,859
7 Income Taxes - Operating Taxes	157,274	414,417	430,259	547,255	687,728
8 Other Taxes - Operating Taxes	253,486	232,922	220,986	236,706	248,370
9 Capital Costs	334,216	529,051	747,123	650,043	1,302,723
10 Total	\$5,942,976	\$6,348,568	\$6,125,513	\$5,848,768	\$6,490,680
PERCENT OF REVENUES					
11 Wages and Benefits	31.1	28.9	29.8	31.7	29.0
12 Depreciation and Amortization	29.4	27.6	26.3	26.7	16.2
13 Other Operations Expense	27.0	25.0	21.0	17.1	20.3
14 Income Taxes - Operating Taxes	2.6	6.5	7.0	9.4	10.6
15 Other Taxes - Operating Taxes	4.3	3.7	3.6	4.0	3.8
16 Capital Costs	5.6	8.3	12.2	11.1	20.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	216.74	209.36	207.95	211.86	223.17
19 Depreciation and Amortization	204.95	200.48	183.68	178.83	124.43
20 Other Operations Expense	188.33	181.13	146.59	114.15	155.71
21 Income Taxes - Operating Taxes	18.46	47.35	48.99	62.58	81.41
22 Other Taxes - Operating Taxes	29.75	26.61	25.16	27.07	29.40
23 Capital Costs	39.22	60.45	85.06	74.33	154.20
24 Total	697.45	725.38	697.43	668.81	768.31

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$5,754,248	\$5,644,411	\$5,245,239	\$4,844,320	\$4,791,166	1
Central Office Assets	7,378,551	7,150,388	6,484,171	5,699,212	5,614,157	2
Information Origination/Termination	220,285	206,052	182,419	179,927	177,788	3
Cable And Wire Facilities	11,862,642	11,510,125	10,963,937	10,700,944	10,275,519	4
Amortizable Assets	264	264	264	264	264	5
Total Plant In Service	25,215,990	24,511,240	22,876,030	21,424,667	20,858,894	6
Property Held For Future Use	7,476	7,476	7,476	7,476	7,476	7
Plant Under Construction	446,834	488,838	936,281	770,693	371,542	8
Tel. Acquisition	142,838	142,838	142,838	142,838	142,838	9
Other Plant	274,983	274,983	274,983	274,983	274,983	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	26,088,121	25,425,375	24,237,608	22,620,657	21,655,733	13
Less Acc. Prov. For Depreciation & Amort.	13,153,755	11,866,481	10,432,914	9,256,669	7,927,082	14
Net Total Utility Plant	\$12,934,366	\$13,558,894	\$13,804,694	\$13,363,988	\$13,728,651	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.39	5.19	1.44	2.23	2.84	16
Total Capitalization	\$20,183,213	\$19,718,577	\$20,370,856	\$19,653,812	\$18,615,305	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	5.3%	6.3%	6.9%	8.0%	9.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.7%	93.7%	93.1%	92.0%	90.8%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	6.54	14.19	10.19	15.87	20.77	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.7%	3.1%	2.0%	4.1%	9.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	321.6%	101.9%	165.9%	146.8%	309.4%	25
CWIP as a % of Plant	1.7%	1.9%	3.9%	3.4%	1.7%	26

Current Assets	4,825,914	3,830,362	4,522,492	4,523,023	4,224,899
Current Liabilities	1,421,976	737,800	3,148,268	2,028,036	1,486,013
Total Capitalization	20,183,213	19,718,577	20,370,856	19,653,812	18,615,305
Long-Term Debt	1,078,319	1,246,126	1,407,034	1,563,901	1,717,118
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	19,104,894	18,472,451	18,963,822	18,089,911	16,898,187
Short-Term Debt					
Pretax Income	390,359	946,956	722,243	1,150,196	2,134,167
Interest Expense	59,717	66,718	70,859	72,459	102,749
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	315,470	577,162	367,340	717,338	1,441,033
Internal Cash	3,176,467	1,084,694	3,024,117	1,559,900	3,554,107
Cash Outflows for Construction	(987,612)	(1,064,410)	(1,822,475)	(1,062,754)	(1,148,708)
CWIP	446,834	488,838	936,281	770,693	371,542
Total Plant	26,088,121	25,425,375	24,237,608	22,620,657	21,655,733
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	55	57	57	61	62

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$187,262	\$133,122	\$133,756	\$129,159	\$83,749	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	110,867	106,603	104,100	104,395	91,170	2
Changes in Deferred Income Taxes	2,813	1,865	628	2,706	552	3
Changes in Working Capital	50,508	(15,796)	(164,030)	15,558	79,191	4
Capitalized AFDC - Equity						5
Other	(12,757)	(23,165)	3,593	3,552	(16,010)	6
Total Non-Cash Items	151,431	69,507	(55,709)	126,211	154,903	7
Net Cash Provided From Operating Activities	<u>338,693</u>	<u>202,629</u>	<u>78,047</u>	<u>255,370</u>	<u>238,652</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(91,523)	(84,411)	(130,926)	(113,706)	(356,653)	9
Purchase of Other Investments	(70,000)	(50,000)		(21,500)	(11,367)	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(161,523)</u>	<u>(134,411)</u>	<u>(130,926)</u>	<u>(135,206)</u>	<u>(368,020)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(34,586)	(36,097)	(35,341)	(34,643)	160,996	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(51,000)			(25,000)		18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(85,586)</u>	<u>(36,097)</u>	<u>(35,341)</u>	<u>(59,643)</u>	<u>160,996</u>	20
Net Increase (Decrease) in Cash & Equivalents	91,584	32,121	(88,220)	60,521	31,628	21
Cash & Equivalents at Beginning of Year	182,243	150,122	238,342	177,821	146,193	22
Cash & Equivalents at End of Year	\$273,827	\$182,243	\$150,122	\$238,342	\$177,821	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$1,341,859	\$1,229,032	\$1,191,435	\$1,035,010	\$919,392
2 Access Lines	1,077	1,085	1,076	1,078	1,012
DOLLAR AMOUNTS					
3 Wages and Benefits	\$275,131	\$264,338	\$226,972	\$199,614	\$192,823
4 Depreciation and Amortization	97,168	92,805	91,340	88,719	76,143
5 Other Operations Expense	648,387	625,132	625,194	522,084	472,595
6 Total Operation Expenses	1,020,686	982,275	943,506	810,417	741,561
7 Income Taxes - Operating Taxes	124,366	94,644	98,908	88,960	70,319
8 Other Taxes - Operating Taxes					
9 Capital Costs	196,807	152,113	149,021	135,633	107,512
10 Total	\$1,341,859	\$1,229,032	\$1,191,435	\$1,035,010	\$919,392
PERCENT OF REVENUES					
11 Wages and Benefits	20.5	21.5	19.1	19.3	21.0
12 Depreciation and Amortization	7.2	7.6	7.7	8.6	8.3
13 Other Operations Expense	48.3	50.9	52.5	50.4	51.4
14 Income Taxes - Operating Taxes	9.3	7.7	8.3	8.6	7.6
15 Other Taxes - Operating Taxes					
16 Capital Costs	14.7	12.4	12.5	13.1	11.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	255.46	243.63	210.94	185.17	190.54
19 Depreciation and Amortization	90.22	85.53	84.89	82.30	75.24
20 Other Operations Expense	602.03	576.16	581.04	484.31	466.99
21 Income Taxes - Operating Taxes	115.47	87.23	91.92	82.52	69.49
22 Other Taxes - Operating Taxes					
23 Capital Costs	182.74	140.20	138.50	125.82	106.24
24 Total	1,245.92	1,132.75	1,107.28	960.12	908.49

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$456,668	\$452,077	\$437,352	\$435,576	\$421,768	1
Central Office Assets	874,549	855,184	832,644	802,632	792,257	2
Information Origination/Termination	29,666	29,666	29,667	29,667	29,667	3
Cable And Wire Facilities	898,733	846,156	810,338	764,093	681,947	4
Amortizable Assets	31,240	31,240	19,243	19,243	17,697	5
Total Plant In Service	2,290,856	2,214,323	2,129,244	2,051,211	1,943,336	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	2,290,856	2,214,323	2,129,244	2,051,211	1,943,336	13
Less Acc. Prov. For Depreciation & Amort.	1,011,863	915,037	834,727	743,387	654,668	14
Net Total Utility Plant	\$1,278,993	\$1,299,286	\$1,294,517	\$1,307,824	\$1,288,668	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.52	7.06	3.54	1.97	1.93	16
Total Capitalization	\$1,846,492	\$1,744,815	\$1,634,972	\$1,536,557	\$1,467,040	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	16.4%	19.4%	22.1%	25.8%	29.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	83.6%	80.6%	77.9%	74.2%	70.6%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	11.28	7.14	6.56	6.28	4.22	22
Com. Stock Dividends as a % of Earnings	27.2%			19.4%		23
Return on Common Equity	12.7%	9.9%	11.1%	11.9%	8.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	370.1%	240.1%	59.6%	224.6%	66.9%	25
CWIP as a % of Plant						26

Current Assets	567,120	459,291	405,231	427,305	360,572
Current Liabilities	161,327	65,026	114,456	216,359	186,747
Total Capitalization	1,846,492	1,744,815	1,634,972	1,536,557	1,467,040
Long-Term Debt	303,510	338,095	361,374	396,715	431,357
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,542,982	1,406,720	1,273,598	1,139,842	1,035,683
Short-Term Debt					
Pretax Income	287,679	212,194	221,092	210,711	142,489
Interest Expense	25,499	29,734	33,726	33,531	33,762
Common Dividends Paid	51,000			25,000	
Net Income (Excl. Preferred Stock Dividends)	187,262	133,122	133,756	129,159	83,749
Internal Cash	338,693	202,629	78,047	255,370	238,652
Cash Outflows for Construction	(91,523)	(84,411)	(130,926)	(113,706)	(356,653)
CWIP					
Total Plant	2,290,856	2,214,323	2,129,244	2,051,211	1,943,336
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees	4	4	4	4	3

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$355,435	\$948,687	\$996,745	\$758,200	\$2,329,671	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,087,329	518,835	966,718	886,695	810,507	2
Changes in Deferred Income Taxes	6,067,402	588,359	(1,025,253)	1,271,129	(1,097,220)	3
Changes in Working Capital	5,270,395	(6,956,347)	(350,557)	(833,096)	588,558	4
Capitalized AFDC - Equity			(52,425)	(44,199)	(13,157)	5
Other	(124,894)	(3,152,333)	701,157	(195,009)	69,737	6
Total Non-Cash Items	12,300,232	(9,001,486)	239,640	1,085,520	358,425	7
Net Cash Provided From Operating Activities	<u>12,655,667</u>	<u>(8,052,799)</u>	<u>1,236,385</u>	<u>1,843,720</u>	<u>2,688,096</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(554,313)	(198,595)	(1,795,287)	(1,222,880)	(1,074,390)	9
Purchase of Other Investments	(12,132,759)	7,334,733	254,406	54,548	680,800	10
Sale of Other Investments			(177,044)	(83,859)	(84,023)	11
Other						12
Net Cash Provided From Investing Activities	<u>(12,687,072)</u>	<u>7,136,138</u>	<u>(1,717,925)</u>	<u>(1,252,191)</u>	<u>(477,613)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(186,870)	(174,735)	(162,564)	(152,628)	14
Common Stock						15
Preferred Stock					(269,700)	16
Short-Term Debt						17
Dividends Paid				(1,550,000)	(279,148)	18
Other Financing			(56,171)			19
Net Cash Provided From Financing Activities		<u>(186,870)</u>	<u>(230,906)</u>	<u>(1,712,564)</u>	<u>(701,476)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(31,405)	(1,103,531)	(712,446)	(1,121,035)	1,509,007	21
Cash & Equivalents at Beginning of Year	19,956	1,123,487	1,835,933	2,956,968	1,447,961	22
Cash & Equivalents at End of Year	(\$11,449)	\$19,956	\$1,123,487	\$1,835,933	\$2,956,968	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,784,237	\$5,917,908	\$5,638,055	\$6,010,086	\$5,392,913
2 Access Lines	6,722	6,812	6,740	6,851	6,328

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,168,019	\$721,328	\$693,589	\$624,385	\$592,207
4 Depreciation and Amortization	525,739	957,455	943,700	901,277	767,888
5 Other Operations Expense	1,609,012	2,455,312	2,004,060	1,416,635	1,754,408
6 Total Operation Expenses	3,302,770	4,134,095	3,641,349	2,942,297	3,114,503
7 Income Taxes - Operating Taxes	392,007	318,671	628,847	1,971,093	(551,109)
8 Other Taxes - Operating Taxes	270,563	194,337	274,547	262,909	311,744
9 Capital Costs	1,818,897	1,270,805	1,093,312	833,787	2,517,775
10 Total	\$5,784,237	\$5,917,908	\$5,638,055	\$6,010,086	\$5,392,913

PERCENT OF REVENUES

11 Wages and Benefits	20.2	12.2	12.3	10.4	11.0
12 Depreciation and Amortization	9.1	16.2	16.7	15.0	14.2
13 Other Operations Expense	27.8	41.5	35.5	23.6	32.5
14 Income Taxes - Operating Taxes	6.8	5.4	11.2	32.8	(10.2)
15 Other Taxes - Operating Taxes	4.7	3.3	4.9	4.4	5.8
16 Capital Costs	31.4	21.5	19.4	13.9	46.7
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	173.76	105.89	102.91	91.14	93.59
19 Depreciation and Amortization	78.21	140.55	140.01	131.55	121.35
20 Other Operations Expense	239.37	360.44	297.34	206.78	277.25
21 Income Taxes - Operating Taxes	58.32	46.78	93.30	287.71	(87.09)
22 Other Taxes - Operating Taxes	40.25	28.53	40.73	38.38	49.26
23 Capital Costs	270.59	186.55	162.21	121.70	397.88
24 Total	860.49	868.75	836.51	877.26	852.23

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,055,773	\$1,966,383	\$1,804,638	\$1,799,228	\$1,796,192	1
Central Office Assets	6,475,155	6,126,184	5,491,955	5,131,620	4,466,089	2
Information Origination/Termination	186,548	179,486	650,448	606,250	599,566	3
Cable And Wire Facilities	11,585,959	10,968,306	9,988,036	9,208,171	8,765,321	4
Amortizable Assets						5
Total Plant In Service	20,303,435	19,240,359	17,935,077	16,745,269	15,627,168	6
Property Held For Future Use						7
Plant Under Construction	201,270	669,693	1,776,380	1,118,476	969,498	8
Tel. Acquisition						9
Other Plant	3,290	3,290	3,290	3,290	3,290	10
Nonoperating Plant		40,340	40,340	40,340	40,340	11
Goodwill		8,778,017				12
Total Telecommunications Plant	20,507,995	28,731,699	19,755,087	17,907,375	16,640,296	13
Less Acc. Prov. For Depreciation & Amort.	12,566,521	11,479,192	10,960,357	10,170,682	9,396,638	14
Net Total Utility Plant	\$7,941,474	\$17,252,507	\$8,794,730	\$7,736,693	\$7,243,658	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.52	-4507.32	8.16	4.07	2.51	16
Total Capitalization	\$7,727,630	\$7,372,195	\$9,556,647	\$8,721,045	\$9,680,227	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			33.7%	39.0%	37.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	64.4%	59.0%	61.4%	20
Short-Term Debt			2.0%	2.0%	1.6%	21
Pretax Coverage of Interest Expense	1.53	4.47	7.28	13.96	7.31	22
Com. Stock Dividends as a % of Earnings				204.4%	11.3%	23
Return on Common Equity	4.7%	14.0%	17.6%	13.7%	47.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2283.1%	-4054.9%	68.9%	150.8%	250.2%	25
CWIP as a % of Plant	1.0%	3.4%	9.0%	6.2%	5.8%	26

Current Assets	7,413,147	8,004,995	2,062,178	3,038,610	4,064,976
Current Liabilities	4,864,033	(1,776)	252,771	746,508	1,621,383
Total Capitalization	7,727,630	7,372,195	9,556,647	8,721,045	9,680,227
Long-Term Debt			3,216,433	3,403,366	3,590,328
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,727,630	7,372,195	6,153,344	5,143,036	5,939,654
Short-Term Debt			186,870	174,643	150,245
Pretax Income	2,150,739	1,632,755	1,824,054	2,939,917	2,060,425
Interest Expense	1,403,297	365,397	250,459	210,624	281,863
Common Dividends Paid				1,550,000	260,000
Net Income (Excl. Preferred Stock Dividends)	355,435	948,687	996,745	758,200	2,310,523
Internal Cash	12,655,667	(8,052,799)	1,236,385	1,843,720	2,688,096
Cash Outflows for Construction	(554,313)	(198,595)	(1,795,287)	(1,222,880)	(1,074,390)
CWIP	201,270	669,693	1,776,380	1,118,476	969,498
Total Plant	20,507,995	19,953,682	19,755,087	17,907,375	16,640,296
Shares Outstanding	21,742	21,742	21,742	21,744	21,744
Number of Employees	9	9	11	11	10

Frontier Communications of New York
Statement of Cash Flows
For the Year Ended December 31,

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$1,123,358	\$14,064,934	\$16,065,884	\$11,214,003	\$21,992,121	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	8,283,877	4,946,636	7,781,445	6,152,441	6,909,082	2
Changes in Deferred Income Taxes	(15,590,457)	11,911,080	(19,221,431)	18,713,365	(4,829,745)	3
Changes in Working Capital	409,891,642	(396,514,273)	(3,072,714)	(8,626,225)	7,190,606	4
Capitalized AFDC - Equity			(240,382)	(275,276)	(296,134)	5
Other	(289,534,883)	295,051,900	8,697,057	(5,531,700)	798,551	6
Total Non-Cash Items	113,050,179	(84,604,657)	(6,056,025)	10,432,605	9,772,360	7
Net Cash Provided From Operating Activities	<u>114,173,537</u>	<u>(70,539,723)</u>	<u>10,009,859</u>	<u>21,646,608</u>	<u>31,764,481</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(4,636,296)	(2,380,053)	(12,735,149)	(12,572,293)	(9,077,372)	9
Purchase of Other Investments	(109,263,619)	88,540,793	2,944,702	5,981,621	(722,778)	10
Sale of Other Investments			588,713	(686,331)	14,101	11
Other			1,602,342			12
Net Cash Provided From Investing Activities	<u>(113,899,915)</u>	<u>86,160,740</u>	<u>(7,599,392)</u>	<u>(7,277,003)</u>	<u>(9,786,049)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt				(8,900,000)		14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(15,000,000)		(14,000,000)	(16,150,000)	18
Other Financing			(3,894,703)			19
Net Cash Provided From Financing Activities		<u>(15,000,000)</u>	<u>(3,894,703)</u>	<u>(22,900,000)</u>	<u>(16,150,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	273,622	621,017	(1,484,236)	(8,530,395)	5,828,432	21
Cash & Equivalents at Beginning of Year	1,278,525	657,508	2,141,744	10,672,139	4,843,707	22
Cash & Equivalents at End of Year	\$1,552,147	\$1,278,525	\$657,508	\$2,141,744	\$10,672,139	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$69,506,840	\$72,337,707	\$71,220,468	\$68,341,501	\$66,266,455
2 Access Lines	85,915	94,579	81,390	77,973	73,794
DOLLAR AMOUNTS					
3 Wages and Benefits	\$14,222,763	\$11,564,623	\$13,516,455	\$12,291,105	\$9,162,959
4 Depreciation and Amortization	2,339,939	7,246,492	9,691,183	6,755,686	7,175,216
5 Other Operations Expense	21,237,183	28,515,907	16,590,985	14,430,071	14,249,555
6 Total Operation Expenses	37,799,885	47,327,022	39,798,623	33,476,862	30,587,730
7 Income Taxes - Operating Taxes	10,176,769	3,591,084	11,515,980	20,076,309	8,683,105
8 Other Taxes - Operating Taxes	2,630,475	3,517,153	4,016,468	3,518,989	4,732,855
9 Capital Costs	18,899,711	17,902,448	15,889,397	11,269,341	22,262,765
10 Total	\$69,506,840	\$72,337,707	\$71,220,468	\$68,341,501	\$66,266,455
PERCENT OF REVENUES					
11 Wages and Benefits	20.5	16.0	19.0	18.0	13.8
12 Depreciation and Amortization	3.4	10.0	13.6	9.9	10.8
13 Other Operations Expense	30.6	39.4	23.3	21.1	21.5
14 Income Taxes - Operating Taxes	14.6	5.0	16.2	29.4	13.1
15 Other Taxes - Operating Taxes	3.8	4.9	5.6	5.1	7.1
16 Capital Costs	27.2	24.7	22.3	16.5	33.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	165.54	122.27	166.07	157.63	124.17
19 Depreciation and Amortization	27.24	76.62	119.07	86.64	97.23
20 Other Operations Expense	247.19	301.50	203.85	185.06	193.10
21 Income Taxes - Operating Taxes	118.45	37.97	141.49	257.48	117.67
22 Other Taxes - Operating Taxes	30.62	37.19	49.35	45.13	64.14
23 Capital Costs	219.98	189.29	195.23	144.53	301.69
24 Total	809.02	764.84	875.05	876.48	897.99

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$18,013,589	\$17,992,399	\$16,394,895	\$15,669,763	\$14,971,964	1
Central Office Assets	77,558,794	75,362,600	68,818,226	62,566,019	54,057,926	2
Information Origination/Termination	1,915,770	1,786,841	3,746,007	3,705,601	3,695,214	3
Cable And Wire Facilities	69,194,170	67,388,220	62,975,756	59,548,524	55,725,272	4
Amortizable Assets	31,215	45,953	45,953	45,953	45,953	5
Total Plant In Service	166,713,538	162,576,013	151,980,837	141,535,860	128,496,329	6
Property Held For Future Use	38,544	38,544	36,815	36,815	36,815	7
Plant Under Construction	3,013,790	2,515,018	10,731,871	8,201,317	8,393,278	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	169,765,872	165,129,575	162,749,523	149,773,992	136,926,422	13
Less Acc. Prov. For Depreciation & Amort.	94,912,444	86,628,567	81,681,931	73,311,773	67,845,662	14
Net Total Utility Plant	\$74,853,428	\$78,501,008	\$81,067,592	\$76,462,219	\$69,080,760	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.98	485.26	2.14	1.35	1.25	16
Total Capitalization	\$81,498,609	\$376,146,285	\$77,388,262	\$59,719,661	\$71,482,967	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt		78.6%			12.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	21.4%	100.0%	100.0%	87.5%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	N/A	N/A	N/A	98.26	54.16	22
Com. Stock Dividends as a % of Earnings		106.6%		124.8%	73.4%	23
Return on Common Equity	1.4%	17.8%	23.4%	18.3%	36.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2462.6%	-2963.8%	78.6%	172.2%	349.9%	25
CWIP as a % of Plant	1.8%	1.5%	6.6%	5.5%	6.1%	26

Current Assets	71,999,810	411,586,859	19,576,161	22,143,516	28,009,160
Current Liabilities	73,566,773	848,181	9,162,488	16,375,069	22,354,421
Total Capitalization	81,498,609	376,146,285	77,388,262	59,719,661	71,482,967
Long-Term Debt		295,771,034			8,900,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	81,498,609	80,375,251	77,388,262	59,719,661	62,582,967
Short-Term Debt					
Pretax Income	29,105,331	21,477,347	27,609,235	31,612,031	31,252,284
Interest Expense	23,249,745	3,821,329	(67,660)	321,719	577,058
Common Dividends Paid		15,000,000		14,000,000	16,150,000
Net Income (Excl. Preferred Stock Dividends)	1,123,358	14,064,934	16,065,884	11,214,003	21,992,121
Internal Cash	114,173,537	(70,539,723)	10,009,859	21,646,608	31,764,481
Cash Outflows for Construction	(4,636,296)	(2,380,053)	(12,735,149)	(12,572,293)	(9,077,372)
CWIP	3,013,790	2,515,018	10,731,871	8,201,317	8,393,278
Total Plant	169,765,872	165,129,575	162,749,523	149,773,992	136,926,422
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	73	101	229	244	229

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$282,181)	\$1,762,199	\$731,131	(\$373,747)	\$2,799,650	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,349,202	1,333,830	1,332,356	1,171,247	1,035,001	2
Changes in Deferred Income Taxes	1,137,022	385,025	(2,377,752)	2,571,433	(1,643,454)	3
Changes in Working Capital	25,915,069	(24,592,469)	1,368,702	(514,850)	675,687	4
Capitalized AFDC - Equity			45,797	(32,244)	(22,264)	5
Other	(13,470,494)	12,406,646	(112,606)	(44,253)	185,297	6
Total Non-Cash Items	14,930,799	(10,466,968)	256,497	3,151,333	230,267	7
Net Cash Provided From Operating Activities	14,648,618	(8,704,769)	987,628	2,777,586	3,029,917	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(426,026)	(722,894)	(1,650,201)	(2,147,842)	(1,266,489)	9
Purchase of Other Investments	(14,191,504)	8,651,662	1,164,359	(299,843)	1,312,848	10
Sale of Other Investments			(604,884)	(33,598)	(85,548)	11
Other						12
Net Cash Provided From Investing Activities	(14,617,530)	7,928,768	(1,090,726)	(2,481,283)	(39,189)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(95,062)	(89,584)	(83,541)	(78,381)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(2,000,000)	(1,000,000)	18
Other Financing			(181,178)			19
Net Cash Provided From Financing Activities		(95,062)	(270,762)	(2,083,541)	(1,078,381)	20
Net Increase (Decrease) in Cash & Equivalents	31,088	(871,063)	(373,860)	(1,787,238)	1,912,347	21
Cash & Equivalents at Beginning of Year	1,118	872,181	1,246,041	3,033,279	1,120,932	22
Cash & Equivalents at End of Year	\$32,206	\$1,118	\$872,181	\$1,246,041	\$3,033,279	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$6,250,915	\$6,333,684	\$6,250,675	\$6,491,489	\$6,174,486
2 Access Lines	9,671	9,954	10,026	10,172	9,526
DOLLAR AMOUNTS					
3 Wages and Benefits	\$22,560	\$1,415,009	\$828,184	\$630,974	\$529,572
4 Depreciation and Amortization	2,193,096	2,702,623	1,396,699	1,216,730	1,004,651
5 Other Operations Expense	2,067,643	1,273,540	2,372,795	1,586,733	2,089,876
6 Total Operation Expenses	4,283,299	5,391,172	4,597,678	3,434,437	3,624,099
7 Income Taxes - Operating Taxes	713,576	97,755	503,167	3,118,530	(681,207)
8 Other Taxes - Operating Taxes	174,844	317,951	371,058	334,367	392,162
9 Capital Costs	1,079,196	526,806	778,772	(395,845)	2,839,432
10 Total	\$6,250,915	\$6,333,684	\$6,250,675	\$6,491,489	\$6,174,486
PERCENT OF REVENUES					
11 Wages and Benefits	0.4	22.3	13.2	9.7	8.6
12 Depreciation and Amortization	35.1	42.7	22.3	18.7	16.3
13 Other Operations Expense	33.1	20.1	38.0	24.4	33.8
14 Income Taxes - Operating Taxes	11.4	1.5	8.0	48.0	(11.0)
15 Other Taxes - Operating Taxes	2.8	5.0	5.9	5.2	6.4
16 Capital Costs	17.3	8.3	12.5	(6.1)	46.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	2.33	142.15	82.60	62.03	55.59
19 Depreciation and Amortization	226.77	271.51	139.31	119.62	105.46
20 Other Operations Expense	213.80	127.94	236.66	155.99	219.39
21 Income Taxes - Operating Taxes	73.79	9.82	50.19	306.58	(71.51)
22 Other Taxes - Operating Taxes	18.08	31.94	37.01	32.87	41.17
23 Capital Costs	111.59	52.92	77.68	(38.92)	298.07
24 Total	646.36	636.30	623.45	638.17	648.17

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,867,385	\$1,943,992	\$1,811,087	\$1,755,867	\$1,737,629	1
Central Office Assets	9,722,213	9,622,174	8,914,957	8,276,584	7,621,292	2
Information Origination/Termination	150,518	150,518	338,730	230,326	230,065	3
Cable And Wire Facilities	9,963,425	9,529,248	8,478,443	7,329,656	6,883,671	4
Amortizable Assets						5
Total Plant In Service	21,703,541	21,245,932	19,543,217	17,592,433	16,472,657	6
Property Held For Future Use						7
Plant Under Construction	188,802	220,385	1,200,206	1,546,586	486,276	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	21,892,343	21,466,317	20,743,423	19,139,019	16,958,933	13
Less Acc. Prov. For Depreciation & Amort.	13,988,222	12,639,020	11,305,190	10,595,043	9,474,719	14
Net Total Utility Plant	\$7,904,121	\$8,827,297	\$9,438,233	\$8,543,976	\$7,484,214	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.69	112.28	1.04	2.65	3.12	16
Total Capitalization	\$7,164,654	\$21,570,813	\$7,501,815	\$6,889,214	\$9,333,032	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt		65.5%	21.0%	24.3%	18.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	34.5%	77.7%	74.4%	80.4%	20
Short-Term Debt			1.3%	1.3%	0.8%	21
Pretax Coverage of Interest Expense	1.33	5.56	9.29	32.59	15.20	22
Com. Stock Dividends as a % of Earnings				-535.1%	35.7%	23
Return on Common Equity	-3.9%	26.5%	13.3%	-5.9%	42.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	3438.4%	-1204.2%	59.8%	129.3%	239.2%	25
CWIP as a % of Plant	0.9%	1.0%	5.8%	8.1%	2.9%	26

Current Assets	4,171,687	24,359,843	878,770	2,923,215	4,481,331
Current Liabilities	6,028,778	216,960	848,018	1,104,707	1,436,041
Total Capitalization	7,164,654	21,570,813	7,501,815	6,889,214	9,333,032
Long-Term Debt		14,123,979	1,577,355	1,672,467	1,750,662
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,164,654	7,446,834	5,829,398	5,127,621	7,505,223
Short-Term Debt			95,062	89,126	77,147
Pretax Income	1,753,977	2,267,694	1,354,424	2,831,672	2,267,656
Interest Expense	1,322,582	407,740	145,779	86,889	149,213
Common Dividends Paid				2,000,000	1,000,000
Net Income (Excl. Preferred Stock Dividends)	(282,181)	1,762,199	731,131	(373,747)	2,799,650
Internal Cash	14,648,618	(8,704,769)	987,628	2,777,586	3,029,917
Cash Outflows for Construction	(426,026)	(722,894)	(1,650,201)	(2,147,842)	(1,266,489)
CWIP	188,802	220,385	1,200,206	1,546,586	486,276
Total Plant	21,892,343	21,466,317	20,743,423	19,139,019	16,958,933
Shares Outstanding	100	100	100	2,369	2,369
Number of Employees	9	9	10	9	9

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(721,360)	111,055	\$2,133,920	(\$472,213)	\$4,347,467	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,377,136	552,900	2,118,407	1,563,770	1,778,845	2
Changes in Deferred Income Taxes	(8,068,793)	2,285,742	(5,271,230)	7,153,177	(3,459,308)	3
Changes in Working Capital	31,972,626	(67,406,398)	515,394	(10,860,872)	9,211,266	4
Capitalized AFDC - Equity			(201,309)	(173,986)	(111,510)	5
Other	430,209	49,834,909	(3,504,109)	(345,330)	193,577	6
Total Non-Cash Items	26,711,178	(14,732,847)	(6,342,847)	(2,663,241)	7,612,870	7
Net Cash Provided From Operating Activities	<u>25,989,818</u>	<u>(14,621,792)</u>	<u>(4,208,927)</u>	<u>(3,135,454)</u>	<u>11,960,337</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,226,543)	(506,271)	(4,576,908)	(4,168,888)	(4,017,006)	9
Purchase of Other Investments	(24,720,641)	15,086,019	8,806,690	1,004,289	9,139,831	10
Sale of Other Investments			185,058	(65,592)	(677,543)	11
Other	67					12
Net Cash Provided From Investing Activities	<u>(25,947,117)</u>	<u>14,579,748</u>	<u>4,414,840</u>	<u>(3,230,191)</u>	<u>4,445,282</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock					(9,800,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(500,000)		18
Other Financing			(203,729)			19
Net Cash Provided From Financing Activities			<u>(203,729)</u>	<u>(500,000)</u>	<u>(9,800,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	42,701	(42,044)	2,184	(6,865,645)	6,605,619	21
Cash & Equivalents at Beginning of Year	28,419	70,463	68,279	6,933,924	328,305	22
Cash & Equivalents at End of Year	\$71,120	\$28,419	\$70,463	\$68,279	\$6,933,924	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$13,009,691	\$12,778,047	\$12,584,837	\$13,202,268	\$12,688,813
2 Access Lines	21,252	21,262	21,041	20,854	19,463
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,866,668	\$1,455,294	\$1,213,724	\$898,581	\$950,519
4 Depreciation and Amortization	1,959,788	2,614,336	2,632,678	1,639,153	1,176,857
5 Other Operations Expense	4,612,777	7,652,998	4,111,404	2,937,563	4,044,578
6 Total Operation Expenses	8,439,233	11,722,628	7,957,806	5,475,297	6,171,954
7 Income Taxes - Operating Taxes	543,885	(862,647)	1,358,704	6,800,059	849,514
8 Other Taxes - Operating Taxes	541,761	712,662	955,314	1,005,188	1,035,742
9 Capital Costs	3,484,812	1,205,404	2,313,013	(78,276)	4,631,603
10 Total	\$13,009,691	\$12,778,047	\$12,584,837	\$13,202,268	\$12,688,813
PERCENT OF REVENUES					
11 Wages and Benefits	14.3	11.4	9.6	6.8	7.5
12 Depreciation and Amortization	15.1	20.5	20.9	12.4	9.3
13 Other Operations Expense	35.5	59.9	32.7	22.3	31.9
14 Income Taxes - Operating Taxes	4.2	(6.8)	10.8	51.5	6.7
15 Other Taxes - Operating Taxes	4.2	5.6	7.6	7.6	8.2
16 Capital Costs	26.8	9.4	18.4	(0.6)	36.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	87.83	68.45	57.68	43.09	48.84
19 Depreciation and Amortization	92.22	122.96	125.12	78.60	60.47
20 Other Operations Expense	217.05	359.94	195.40	140.86	207.81
21 Income Taxes - Operating Taxes	25.59	(40.57)	64.57	326.08	43.65
22 Other Taxes - Operating Taxes	25.49	33.52	45.40	48.20	53.22
23 Capital Costs	163.98	56.69	109.93	(3.75)	237.97
24 Total	612.16	600.98	598.11	633.08	651.95

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,559,088	\$2,575,666	\$2,344,677	\$2,295,527	\$2,237,879	1
Central Office Assets	20,728,917	20,057,615	17,788,696	14,595,207	12,613,111	2
Information Origination/Termination	175,578	159,130	1,089,391	1,120,816	1,120,815	3
Cable And Wire Facilities	23,636,849	22,425,136	19,726,334	18,340,025	16,671,171	4
Amortizable Assets		1	786	786	786	5
Total Plant In Service	47,100,432	45,217,548	40,949,884	36,352,361	32,643,762	6
Property Held For Future Use	56,888	56,888	56,888	56,888	56,888	7
Plant Under Construction	648,244	1,304,585	5,065,976	4,885,282	4,251,007	8
Tel. Acquisition	78,169	78,167	78,169	78,169	78,169	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	47,883,733	46,657,188	46,150,917	41,372,700	37,029,826	13
Less Acc. Prov. For Depreciation & Amort.	24,513,077	22,135,941	21,583,041	19,279,576	17,781,398	14
Net Total Utility Plant	\$23,370,656	\$24,521,247	\$24,567,876	\$22,093,124	\$19,248,428	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.10	3023.62	26.26	1.58	0.82	16
Total Capitalization	\$13,380,720	\$64,101,117	\$13,670,678	\$16,236,301	\$17,214,618	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt		78.0%		28.9%	27.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	22.0%	100.0%	71.1%	72.7%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.96	0.33	8.15	12.28	13.08	22
Com. Stock Dividends as a % of Earnings				-105.9%	156.4%	23
Return on Common Equity	-5.2%	0.8%	16.9%	-3.9%	35.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2118.9%	-2888.1%	-92.0%	-75.2%	297.7%	25
CWIP as a % of Plant	1.4%	2.8%	11.0%	11.8%	11.5%	26

Current Assets	1,484,516	69,153,272	1,328,346	5,026,709	9,471,802
Current Liabilities	14,510,182	22,871	50,589	3,185,322	11,571,910
Total Capitalization	13,380,720	64,101,117	13,670,678	16,236,301	17,214,618
Long-Term Debt		49,999,037		4,700,000	4,700,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,380,720	14,102,080	13,670,678	11,536,301	12,514,618
Short-Term Debt					
Pretax Income	4,062,101	366,209	3,870,907	6,888,922	5,627,296
Interest Expense	4,239,576	1,117,801	474,717	561,076	430,315
Common Dividends Paid				500,000	6,800,000
Net Income (Excl. Preferred Stock Dividends)	(721,360)	111,055	2,133,920	(472,213)	4,347,467
Internal Cash	25,989,818	(14,621,792)	(4,208,927)	(3,135,454)	11,960,337
Cash Outflows for Construction	(1,226,543)	(506,271)	(4,576,908)	(4,168,888)	(4,017,006)
CWIP	648,244	1,304,585	5,065,976	4,885,282	4,251,007
Total Plant	47,883,733	46,657,188	46,150,917	41,372,700	37,029,826
Shares Outstanding	200	200	200	200	200
Number of Employees	15	16	16	15	14

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$303,841	(\$295,009)	\$80,244	\$180,548	\$2,532,919	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	537,975	581,017	555,619	518,868	490,883	2
Changes in Deferred Income Taxes	(30,803)	(79,163)	(110,933)	(77,456)	(41,610)	3
Changes in Working Capital	423,796	(42,738)	(268,773)	351,351	(281,504)	4
Capitalized AFDC - Equity						5
Other	131,486	446,211	88,898	117,012	(2,019,045)	6
Total Non-Cash Items	1,062,454	905,327	264,811	909,775	(1,851,276)	7
Net Cash Provided From Operating Activities	<u>1,366,295</u>	<u>610,318</u>	<u>345,055</u>	<u>1,090,323</u>	<u>681,643</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(577,815)	(438,892)	(560,536)	(526,245)	(296,928)	9
Purchase of Other Investments	(209,675)	112,635	20,237	42,058	(113,796)	10
Sale of Other Investments	(7,181)	14,416	(11,746)	(4,794)	(10,618)	11
Other	(104,095)					12
Net Cash Provided From Investing Activities	<u>(898,766)</u>	<u>(311,841)</u>	<u>(552,045)</u>	<u>(488,981)</u>	<u>(421,342)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(82,911)	(78,887)	(75,077)	(71,400)	(67,956)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt			(17,714)	(18,000)	(18,000)	17
Dividends Paid	(211,045)	(14,774)	(12,630)	(20,893)	(12,871)	18
Other Financing	109,358					19
Net Cash Provided From Financing Activities	<u>(184,598)</u>	<u>(93,661)</u>	<u>(105,421)</u>	<u>(110,293)</u>	<u>(98,827)</u>	20
Net Increase (Decrease) in Cash & Equivalents	282,931	204,816	(312,411)	491,049	161,474	21
Cash & Equivalents at Beginning of Year	2,286,980	2,082,164	2,394,575	1,903,526	1,742,052	22
Cash & Equivalents at End of Year	\$2,569,911	\$2,286,980	\$2,082,164	\$2,394,575	\$1,903,526	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,845,378	\$3,626,837	\$3,862,798	\$3,819,125	\$3,663,396
2 Access Lines	3,090	3,099	3,123	3,080	2,925
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,532,921	\$1,690,217	\$1,510,224	\$1,478,273	\$1,344,067
4 Depreciation and Amortization	544,458	580,063	561,524	524,301	493,566
5 Other Operations Expense	1,160,675	1,085,154	1,197,827	1,085,612	1,048,606
6 Total Operation Expenses	3,238,054	3,355,434	3,269,575	3,088,186	2,886,239
7 Income Taxes - Operating Taxes	133,564	(52,512)	192,159	130,887	100,356
8 Other Taxes - Operating Taxes	160,127	151,291	122,613	159,254	164,595
9 Capital Costs	313,633	172,624	278,451	440,798	512,206
10 Total	\$3,845,378	\$3,626,837	\$3,862,798	\$3,819,125	\$3,663,396
PERCENT OF REVENUES					
11 Wages and Benefits	39.9	46.6	39.1	38.7	36.7
12 Depreciation and Amortization	14.2	16.0	14.5	13.7	13.5
13 Other Operations Expense	30.2	29.9	31.0	28.4	28.6
14 Income Taxes - Operating Taxes	3.5	(1.4)	5.0	3.4	2.7
15 Other Taxes - Operating Taxes	4.2	4.2	3.2	4.2	4.5
16 Capital Costs	8.2	4.8	7.2	11.5	14.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	496.09	545.41	483.58	479.96	459.51
19 Depreciation and Amortization	176.20	187.18	179.80	170.23	168.74
20 Other Operations Expense	375.62	350.16	383.55	352.47	358.50
21 Income Taxes - Operating Taxes	43.22	(16.94)	61.53	42.50	34.31
22 Other Taxes - Operating Taxes	51.82	48.82	39.26	51.71	56.27
23 Capital Costs	101.50	55.70	89.16	143.12	175.11
24 Total	1,244.46	1,170.32	1,236.89	1,239.98	1,252.44

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,401,162	\$ 1,150,737	\$1,150,219	\$1,088,104	\$1,040,475	1
Central Office Assets	3,313,166	3,083,247	2,940,285	2,628,536	2,307,013	2
Information Origination/Termination	181,672	181,672	181,672	181,672	181,672	3
Cable And Wire Facilities	3,554,160	3,534,273	3,496,291	3,361,674	3,229,125	4
Amortizable Assets	367,290	367,290	350,429	315,616	315,616	5
Total Plant In Service	8,817,450	8,317,219	8,118,896	7,575,602	7,073,901	6
Property Held For Future Use				22,500		7
Plant Under Construction	439	15,675				8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	8,817,889	8,332,894	8,118,896	7,598,102	7,073,901	13
Less Acc. Prov. For Depreciation & Amort.	5,416,800	4,979,760	4,607,480	4,103,789	3,594,828	14
Net Total Utility Plant	\$3,401,089	\$3,353,134	\$3,511,416	\$3,494,313	\$3,479,073	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.48	23.20	22.65	12.00	-45.89	16
Total Capitalization	\$9,644,334	\$9,562,099	\$9,984,199	\$10,009,379	\$9,939,124	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	7.7%	8.7%	9.1%	9.8%	10.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	92.3%	91.3%	90.9%	90.0%	89.0%	20
Short-Term Debt				0.2%	0.4%	21
Pretax Coverage of Interest Expense	12.37	-6.74	3.50	7.14	45.33	22
Com. Stock Dividends as a % of Earnings	69.5%	-5.0%	15.7%	11.6%	0.5%	23
Return on Common Equity	3.4%	-3.3%	0.9%	2.0%	33.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	236.5%	139.1%	61.6%	207.2%	229.6%	25
CWIP as a % of Plant	0.0%	0.2%		0.3%		26

Current Assets	3,848,964	3,252,033	2,978,128	3,141,065	2,671,434
Current Liabilities	860,067	140,161	131,502	261,861	(58,213)
Total Capitalization	9,644,334	9,562,099	9,984,199	10,009,379	9,939,124
Long-Term Debt	744,390	827,301	906,188	981,265	1,052,665
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,899,944	8,734,798	9,078,011	9,010,400	8,850,745
Short-Term Debt				17,714	35,714
Pretax Income	496,805	(301,811)	170,774	387,339	2,665,195
Interest Expense	40,161	44,810	48,724	54,222	58,793
Common Dividends Paid	211,045	14,774	12,630	20,893	12,871
Net Income (Excl. Preferred Stock Dividends)	303,841	(294,109)	80,244	180,548	2,532,919
Internal Cash	1,366,295	610,318	345,055	1,090,323	681,643
Cash Outflows for Construction	(577,815)	(438,892)	(560,536)	(526,245)	(296,928)
CWIP	439	15,675		22,500	
Total Plant	8,817,889	8,332,894	8,118,896	7,598,102	7,073,901
Shares Outstanding	800	800	800	800	800
Number of Employees	18	20	23	23	19

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$80,147	(\$355,161)	(\$394,572)	(\$141,079)	\$64,070	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	248,612	243,795	258,026	267,889	230,542	2
Changes in Deferred Income Taxes	(29,245)	(84,857)				3
Changes in Working Capital	21,566	39,226	(35,470)	207,132	(113,602)	4
Capitalized AFDC - Equity			(97,907)	(40,929)	(21,315)	5
Other	(58,606)	364,748	418,813	184,485	144,725	6
Total Non-Cash Items	182,327	562,912	543,462	618,577	240,350	7
Net Cash Provided From Operating Activities	<u>262,474</u>	<u>207,751</u>	<u>148,890</u>	<u>477,498</u>	<u>304,420</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(142,497)	(89,988)	(369,574)	(53,338)	(100,136)	9
Purchase of Other Investments	686,087	196,910	310,541	(234,306)	(115,493)	10
Sale of Other Investments	1,450	7,958	4,211	(328)	3,634	11
Other	(92,204)	(235,063)	(88,518)	(81,407)	(36,466)	12
Net Cash Provided From Investing Activities	<u>452,836</u>	<u>(120,183)</u>	<u>(143,340)</u>	<u>(369,379)</u>	<u>(248,461)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(85,641)	(79,856)	(74,497)	(69,453)	(64,810)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(382,566)	(64,475)	65,041	(50,000)	5,000	17
Dividends Paid	(18,000)				(6,000)	18
Other Financing		144,000				19
Net Cash Provided From Financing Activities	<u>(486,207)</u>	<u>(331)</u>	<u>(9,456)</u>	<u>(119,453)</u>	<u>(65,810)</u>	20
Net Increase (Decrease) in Cash & Equivalents	229,103	87,237	(3,906)	(11,334)	(9,851)	21
Cash & Equivalents at Beginning of Year	134,077	46,840	50,746	62,080	71,931	22
Cash & Equivalents at End of Year	\$363,180	\$134,077	\$46,840	\$50,746	\$62,080	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$1,853,174	\$1,783,168	\$1,754,636	\$1,795,183	\$1,861,933
2 Access Lines	1,838	1,870	1,946	1,879	1,823
DOLLAR AMOUNTS					
3 Wages and Benefits	\$967,413	\$924,513	\$847,537	\$797,673	\$811,334
4 Depreciation and Amortization	247,376	242,559	256,790	266,653	229,731
5 Other Operations Expense	485,560	466,551	492,625	461,645	445,068
6 Total Operation Expenses	1,700,349	1,633,623	1,596,952	1,525,971	1,486,133
7 Income Taxes - Operating Taxes	(21,507)	(12,428)	(18,608)	4,046	43,660
8 Other Taxes - Operating Taxes	88,744	81,099	80,199	87,943	96,375
9 Capital Costs	85,588	80,874	96,093	177,223	235,765
10 Total	\$1,853,174	\$1,783,168	\$1,754,636	\$1,795,183	\$1,861,933
PERCENT OF REVENUES					
11 Wages and Benefits	52.2	51.8	48.3	44.4	43.6
12 Depreciation and Amortization	13.3	13.6	14.6	14.9	12.3
13 Other Operations Expense	26.2	26.2	28.1	25.7	23.9
14 Income Taxes - Operating Taxes	(1.2)	(0.7)	(1.1)	0.2	2.3
15 Other Taxes - Operating Taxes	4.8	4.5	4.6	4.9	5.2
16 Capital Costs	4.6	4.5	5.5	9.9	12.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	526.34	494.39	435.53	424.52	445.05
19 Depreciation and Amortization	134.59	129.71	131.96	141.91	126.02
20 Other Operations Expense	264.18	249.49	253.15	245.69	244.14
21 Income Taxes - Operating Taxes	(11.70)	(6.65)	(9.56)	2.15	23.95
22 Other Taxes - Operating Taxes	48.28	43.37	41.21	46.80	52.87
23 Capital Costs	46.57	43.25	49.38	94.32	129.33
24 Total	1,008.26	953.57	901.66	955.39	1,021.36

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,207,257	\$1,308,440	\$1,344,613	\$1,313,771	\$1,374,179	1
Central Office Assets	1,351,462	1,270,459	1,196,597	1,112,223	1,085,863	2
Information Origination/Termination	64,087	64,366	64,629	64,843	64,963	3
Cable And Wire Facilities	1,841,904	1,814,323	1,802,908	1,592,542	1,572,301	4
Amortizable Assets						5
Total Plant In Service	4,464,710	4,457,588	4,408,747	4,083,379	4,097,306	6
Property Held For Future Use						7
Plant Under Construction	14,239					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	4,551,408	4,530,047	4,481,206	4,155,838	4,169,765	13
Less Acc. Prov. For Depreciation & Amort.	2,748,929	2,621,238	2,411,867	2,195,072	1,996,013	14
Net Total Utility Plant	\$1,802,479	\$1,908,809	\$2,069,339	\$1,960,766	\$2,173,752	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.33	3.36	1.64	1.72	1.68	16
Total Capitalization	\$4,323,281	\$4,651,905	\$5,175,792	\$5,579,820	\$5,840,352	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.9%	18.6%	18.4%	18.5%	18.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	80.0%	71.3%	71.5%	73.3%	72.5%	20
Short-Term Debt	2.1%	10.1%	10.2%	8.2%	8.6%	21
Pretax Coverage of Interest Expense	1.81	-2.88	-2.86	-0.17	1.89	22
Com. Stock Dividends as a % of Earnings	22.5%				9.4%	23
Return on Common Equity	2.4%	-10.1%	-10.1%	-3.4%	1.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	184.2%	230.9%	40.3%	895.2%	304.0%	25
CWIP as a % of Plant	0.3%					26

Current Assets	1,518,171	1,927,172	3,257,405	3,506,034	3,191,289
Current Liabilities	284,637	573,526	1,984,365	2,035,465	1,899,221
Total Capitalization	4,323,281	4,651,905	5,175,792	5,579,820	5,840,352
Long-Term Debt	773,572	865,408	951,033	1,030,903	1,103,640
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,458,224	3,318,641	3,698,197	4,092,769	4,233,848
Short-Term Debt	91,485	467,856	526,562	456,148	502,864
Pretax Income	148,281	(268,013)	(306,507)	(20,442)	228,230
Interest Expense	82,141	93,076	107,147	117,066	120,975
Common Dividends Paid	18,000				6,000
Net Income (Excl. Preferred Stock Dividends)	80,147	(355,161)	(394,572)	(141,079)	64,070
Internal Cash	262,474	207,751	148,890	477,498	304,420
Cash Outflows for Construction	(142,497)	(89,988)	(369,574)	(53,338)	(100,136)
CWIP	14,239				
Total Plant	4,551,408	4,530,047	4,481,206	4,155,838	4,169,765
Shares Outstanding	1,200	1,200	1,200	1,200	1,200
Number of Employees	12	12	12	13	13

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$132,078)	\$74,816	\$333,346	\$695,210	\$341,461	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	607,242	645,415	632,515	596,901	602,967	2
Changes in Deferred Income Taxes	(38,634)	(68,380)	(136,100)	(92,915)	(117,872)	3
Changes in Working Capital	55,707	1,104	(8,434)	(488,019)	(243,163)	4
Capitalized AFDC - Equity						5
Other	272,000	(311,620)	(262,583)	(195,416)	(254,930)	6
Total Non-Cash Items	896,315	266,519	225,398	(179,449)	(12,998)	7
Net Cash Provided From Operating Activities	<u>764,237</u>	<u>341,335</u>	<u>558,744</u>	<u>515,761</u>	<u>328,463</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(250,553)	(294,561)	(485,465)	(515,694)	(483,904)	9
Purchase of Other Investments	(358,810)	165,249	(739,567)	(294,518)	(509,317)	10
Sale of Other Investments	(6,354)	254,298	538,083		260,803	11
Other						12
Net Cash Provided From Investing Activities	<u>(615,717)</u>	<u>124,986</u>	<u>(686,949)</u>	<u>(810,212)</u>	<u>(732,418)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(130,652)	(120,461)	(111,255)	(102,727)	(95,021)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt		(200,000)	575,000			17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(130,652)</u>	<u>(320,461)</u>	<u>463,745</u>	<u>(102,727)</u>	<u>(95,021)</u>	20
Net Increase (Decrease) in Cash & Equivalents	17,868	145,860	335,540	(397,178)	(498,976)	21
Cash & Equivalents at Beginning of Year	797,164	651,304	315,764	712,942	1,211,918	22
Cash & Equivalents at End of Year	\$815,032	\$797,164	\$651,304	\$315,764	\$712,942	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,147,705	\$3,122,840	\$3,056,895	\$3,169,946	\$3,048,620
2 Access Lines	4,558	4,654	4,625	4,571	4,399
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,233,076	\$1,130,387	\$1,142,896	\$1,006,576	\$1,007,664
4 Depreciation and Amortization	606,729	644,903	632,000	596,388	602,453
5 Other Operations Expense	865,830	879,853	798,409	914,933	875,988
6 Total Operation Expenses	2,705,635	2,655,143	2,573,305	2,517,897	2,486,105
7 Income Taxes - Operating Taxes	31,182	37,257	42,827	114,983	23,859
8 Other Taxes - Operating Taxes	144,375	142,803	139,698	121,163	163,824
9 Capital Costs	266,513	287,637	301,065	415,903	374,832
10 Total	\$3,147,705	\$3,122,840	\$3,056,895	\$3,169,946	\$3,048,620
PERCENT OF REVENUES					
11 Wages and Benefits	39.2	36.2	37.4	31.8	33.1
12 Depreciation and Amortization	19.3	20.7	20.7	18.8	19.8
13 Other Operations Expense	27.5	28.2	26.1	28.9	28.7
14 Income Taxes - Operating Taxes	1.0	1.2	1.4	3.6	0.8
15 Other Taxes - Operating Taxes	4.6	4.6	4.6	3.8	5.4
16 Capital Costs	8.5	9.2	9.8	13.1	12.3
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	270.53	242.89	247.11	220.21	229.07
19 Depreciation and Amortization	133.11	138.57	136.65	130.47	136.95
20 Other Operations Expense	189.96	189.05	172.63	200.16	199.13
21 Income Taxes - Operating Taxes	6.84	8.01	9.26	25.15	5.42
22 Other Taxes - Operating Taxes	31.68	30.68	30.20	26.51	37.24
23 Capital Costs	58.47	61.80	65.10	90.99	85.21
24 Total	690.59	671.00	660.95	693.49	693.03

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,337,669	\$1,295,310	\$1,330,991	\$1,264,143	\$1,200,192	1
Central Office Assets	3,799,297	3,706,880	3,669,841	3,532,948	3,364,821	2
Information Origination/Termination	145,154	145,154	168,694	168,694	168,709	3
Cable And Wire Facilities	4,862,519	4,752,097	4,626,493	4,465,710	4,287,634	4
Amortizable Assets	290	290	290	290	290	5
Total Plant In Service	10,144,929	9,899,731	9,796,309	9,431,785	9,021,646	6
Property Held For Future Use			50,161			7
Plant Under Construction		1,256				8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,144,929	9,900,987	9,846,470	9,431,785	9,021,646	13
Less Acc. Prov. For Depreciation & Amort.	6,968,894	6,379,498	5,962,780	5,379,127	4,874,654	14
Net Total Utility Plant	\$3,176,035	\$3,521,489	\$3,883,690	\$4,052,658	\$4,146,992	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.40	4.04	3.38	6.22	5.10	16
Total Capitalization	\$8,490,378	\$8,697,734	\$9,585,546	\$8,810,994	\$8,365,311	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	7.4%	8.7%	9.2%	11.2%	13.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	88.2%	87.0%	84.8%	88.8%	86.9%	20
Short-Term Debt	4.4%	4.3%	6.0%			21
Pretax Coverage of Interest Expense	-1.97	4.46	8.40	11.04	5.71	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-1.8%	1.0%	4.2%	9.2%	5.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	305.0%	115.9%	115.1%	100.0%	67.9%	25
CWIP as a % of Plant		0.0%				26

Current Assets	3,149,066	3,227,026	3,441,991	2,367,033	2,382,475
Current Liabilities	714,893	799,139	1,018,147	380,541	466,983
Total Capitalization	8,490,378	8,697,734	9,585,546	8,810,994	8,365,311
Long-Term Debt	627,941	758,593	879,054	990,309	1,093,036
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,487,437	7,564,141	8,131,492	7,820,685	7,272,275
Short-Term Debt	375,000	375,000	575,000		
Pretax Income	(77,914)	227,191	535,905	864,340	520,690
Interest Expense	39,497	50,904	63,780	78,288	91,132
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(132,078)	74,816	333,346	695,210	341,461
Internal Cash	764,237	341,335	558,744	515,761	328,463
Cash Outflows for Construction	(250,553)	(294,561)	(485,465)	(515,694)	(483,904)
CWIP		1,256			
Total Plant	10,144,929	9,900,987	9,846,470	9,431,785	9,021,646
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	19	19	18	18	17

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$68,200)	\$34,434	\$425,837	\$381,032	\$614,557	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,331,706	1,261,223	1,199,411	1,121,589	1,079,193	2
Changes in Deferred Income Taxes	(54,853)	(85,649)	(231,487)	(158,200)	(177,824)	3
Changes in Working Capital	1,678,965	(6,368)	164,138	(111,998)	(83,555)	4
Capitalized AFDC - Equity						5
Other	206,751	106,517	92,758	11,077	(738)	6
Total Non-Cash Items	3,162,569	1,275,723	1,224,820	862,468	817,076	7
Net Cash Provided From Operating Activities	<u>3,094,369</u>	<u>1,310,157</u>	<u>1,650,657</u>	<u>1,243,500</u>	<u>1,431,633</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(638,723)	(946,003)	(802,570)	(868,763)	(1,079,017)	9
Purchase of Other Investments		(140,847)	(128,889)	(249,200)	(1,116,894)	10
Sale of Other Investments	(22,754)	2,669	20,288	56,772		11
Other						12
Net Cash Provided From Investing Activities	<u>(661,477)</u>	<u>(1,084,181)</u>	<u>(911,171)</u>	<u>(1,061,191)</u>	<u>(2,195,911)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(205,813)	(194,839)	(184,552)	(174,620)	(165,421)	14
Common Stock					(1,600)	15
Preferred Stock					(200)	16
Short-Term Debt						17
Dividends Paid	(1,590,555)	(109,140)	(109,140)	(109,140)	(15,522)	18
Other Financing					(160,900)	19
Net Cash Provided From Financing Activities	<u>(1,796,368)</u>	<u>(303,979)</u>	<u>(293,692)</u>	<u>(283,760)</u>	<u>(343,643)</u>	20
Net Increase (Decrease) in Cash & Equivalents	636,524	(78,003)	445,794	(101,451)	(1,107,921)	21
Cash & Equivalents at Beginning of Year	2,859,600	2,937,603	2,491,809	2,593,260	3,701,181	22
Cash & Equivalents at End of Year	\$3,496,124	\$2,859,600	\$2,937,603	\$2,491,809	\$2,593,260	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,221,949	\$4,841,973	\$4,991,193	\$4,798,873	\$4,916,952
2 Access Lines	7,136	7,200	7,201	7,150	6,993

DOLLAR AMOUNTS

3 Wages and Benefits	\$2,200,789	\$2,072,794	\$2,022,449	\$1,952,196	\$1,754,876
4 Depreciation and Amortization	1,331,003	1,260,520	1,198,708	1,120,886	1,078,490
5 Other Operations Expense	963,443	874,471	802,817	803,100	764,463
6 Total Operation Expenses	4,495,235	4,207,785	4,023,974	3,876,182	3,597,829
7 Income Taxes - Operating Taxes	14,325	(16,993)	(12,921)	39,494	105,049
8 Other Taxes - Operating Taxes	300,742	279,265	268,962	285,920	327,384
9 Capital Costs	411,647	371,916	711,178	597,277	886,690
10 Total	\$5,221,949	\$4,841,973	\$4,991,193	\$4,798,873	\$4,916,952

PERCENT OF REVENUES

11 Wages and Benefits	42.1	42.8	40.5	40.7	35.7
12 Depreciation and Amortization	25.5	26.0	24.0	23.4	21.9
13 Other Operations Expense	18.4	18.1	16.1	16.7	15.5
14 Income Taxes - Operating Taxes	0.3	(0.4)	(0.3)	0.8	2.1
15 Other Taxes - Operating Taxes	5.8	5.8	5.4	6.0	6.7
16 Capital Costs	7.9	7.7	14.2	12.4	18.0
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	308.41	287.89	280.86	273.03	250.95
19 Depreciation and Amortization	186.52	175.07	166.46	156.77	154.22
20 Other Operations Expense	135.01	121.45	111.49	112.32	109.32
21 Income Taxes - Operating Taxes	2.01	(2.36)	(1.79)	5.52	15.02
22 Other Taxes - Operating Taxes	42.14	38.79	37.35	39.99	46.82
23 Capital Costs	57.69	51.66	98.76	83.54	126.80
24 Total	731.78	672.50	693.12	671.17	703.12

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,192,448	\$3,079,321	\$2,928,067	\$2,977,907	\$3,015,672	1
Central Office Assets	5,552,569	5,306,288	4,905,064	4,845,013	4,485,512	2
Information Origination/Termination	290,273	295,647	299,428	302,206	313,995	3
Cable And Wire Facilities	9,752,521	9,520,868	9,167,934	8,918,882	8,701,776	4
Amortizable Assets						5
Total Plant In Service	18,787,811	18,202,124	17,300,493	17,044,008	16,516,955	6
Property Held For Future Use						7
Plant Under Construction	61,655	81,894	155,302	54,606	16,897	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,849,416	18,283,968	17,455,745	17,098,564	16,533,802	13
Less Acc. Prov. For Depreciation & Amort.	11,676,779	10,445,971	9,326,760	8,531,492	7,646,382	14
Net Total Utility Plant	\$7,172,637	\$7,837,997	\$8,128,985	\$8,567,072	\$8,887,420	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.19	9.44	7.82	8.21	7.63	16
Total Capitalization	\$12,627,560	\$14,742,713	\$15,548,998	\$15,478,998	\$15,827,292	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	21.4%	19.7%	20.0%	21.2%	21.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	78.6%	80.3%	80.0%	78.8%	78.1%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.69	1.11	2.75	3.02	4.40	22
Com. Stock Dividends as a % of Earnings	-2332.2%	317.0%	25.6%	28.6%	2.5%	23
Return on Common Equity	-0.6%	0.3%	3.5%	3.1%	5.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	484.5%	138.5%	205.7%	143.1%	132.7%	25
CWIP as a % of Plant	0.3%	0.4%	0.9%	0.3%	0.1%	26

Current Assets	4,528,693	3,946,341	4,154,868	3,740,555	3,891,997
Current Liabilities	2,066,087	417,870	531,199	455,789	510,180
Total Capitalization	12,627,560	14,742,713	15,548,998	15,478,998	15,827,292
Long-Term Debt	2,701,932	2,907,745	3,102,584	3,287,136	3,461,756
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,925,628	11,834,968	12,446,414	12,191,862	12,365,536
Short-Term Debt					
Pretax Income	124,014	211,601	553,709	636,960	970,521
Interest Expense	179,688	190,737	201,090	211,089	220,349
Common Dividends Paid	1,590,555	109,140	109,140	109,140	15,522
Net Income (Excl. Preferred Stock Dividends)	(68,200)	34,434	425,837	381,032	614,557
Internal Cash	3,094,369	1,310,157	1,650,657	1,243,500	1,431,633
Cash Outflows for Construction	(638,723)	(946,003)	(802,570)	(868,763)	(1,079,017)
CWIP	61,655	81,894	155,302	54,606	16,897
Total Plant	18,849,416	18,283,968	17,455,745	17,098,564	16,533,802
Shares Outstanding	642	642	642	642	642
Number of Employees	38	38	38	38	36

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$692,122,925)	(\$311,645,073)	(\$333,995,945)	\$98,549,280	\$469,884,480	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,153,299,570	2,155,679,557	2,015,837,253	1,988,118,118	1,834,099,169	2
Changes in Deferred Income Taxes	163,958,548	42,267,069	(213,888,928)	(82,413,800)	(88,846,364)	3
Changes in Working Capital	243,380,903	(3,901,095,104)	251,874,397	85,092,217	122,821,450	4
Capitalized AFDC - Equity						5
Other	1,511,632,502	390,123,837	537,823,455	(146,517,801)	37,236,556	6
Total Non-Cash Items	4,072,271,524	(1,313,024,642)	2,591,646,178	1,844,278,734	1,905,310,811	7
Net Cash Provided From Operating Activities	3,380,148,599	(1,624,669,715)	2,257,650,232	1,942,828,014	2,375,195,291	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,208,882,902)	(1,767,992,754)	(2,407,469,463)	(2,350,142,918)	(2,172,221,770)	9
Purchase of Other Investments						10
Sale of Other Investments	211,875,661	189,250,848	117,379,387	10,647,300	63,718,331	11
Other	(899,393,883)	(134,066,362)	(31,283,459)	(884,208,600)	(256,890,478)	12
Net Cash Provided From Investing Activities	(1,896,401,125)	(1,712,808,268)	(2,321,373,534)	(3,223,704,218)	(2,365,393,917)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,100,705,361)	1,089,371,546	(427,935,000)	(70,000,000)	(32,065,000)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(71,690,113)	2,412,385,339	847,441,759	1,444,875,900	357,992,073	17
Dividends Paid	(180,000,000)	(134,000,000)	(195,000,000)	(149,300,000)	(287,400,000)	18
Other Financing	(131,345,852)	(33,590,541)	(186,569,932)	20,955,800	(28,425,744)	19
	(137,543,854)	22,940,478	172,685,177	4,618,000		
Net Cash Provided From Financing Activities	(1,621,285,180)	3,357,106,822	210,622,004	1,251,149,700	10,101,329	20
Net Increase (Decrease) in Cash & Equivalents	(137,537,706)	19,628,840	146,898,701	(29,726,504)	19,902,703	21
Cash & Equivalents at Beginning of Year	554,860,952	535,232,112	388,333,411	418,059,915	398,157,212	22
Cash & Equivalents at End of Year	\$417,323,246	\$554,860,952	\$535,232,112	\$388,333,411	\$418,059,915	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$6,922,943,037	\$7,308,865,938	\$7,454,056,102	\$7,858,214,435	\$7,932,540,028
2 Access Lines	10,252,109	11,310,822	11,310,822	11,887,948	11,931,519
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,177,039,311	\$3,447,644,857	\$3,267,374,000	\$2,322,861,917	\$2,771,395,859
4 Depreciation and Amortization	2,153,299,570	2,155,679,557	2,015,837,253	1,988,118,118	1,834,099,240
5 Other Operations Expense	1,682,492,927	1,660,731,863	2,036,382,216	2,817,778,590	2,450,776,059
6 Total Operation Expenses	8,012,831,809	7,264,056,277	7,319,593,469	7,128,758,625	7,056,271,158
7 Income Taxes - Operating Taxes	(678,000,128)	(218,494,865)	(238,542,912)	21,426,015	67,382,694
8 Other Taxes - Operating Taxes	669,934,466	575,184,402	540,248,500	612,776,348	691,883,963
9 Capital Costs	(1,081,823,110)	(311,879,875)	(167,242,955)	95,253,447	117,002,213
10 Total	\$6,922,943,037	\$7,308,865,938	\$7,454,056,102	\$7,858,214,435	\$7,932,540,028
PERCENT OF REVENUES					
11 Wages and Benefits	60.3	47.2	43.8	29.6	34.9
12 Depreciation and Amortization	31.1	29.5	27.0	25.3	23.1
13 Other Operations Expense	24.3	22.7	27.3	35.9	30.9
14 Income Taxes - Operating Taxes	(9.8)	(3.0)	(3.2)	0.3	0.8
15 Other Taxes - Operating Taxes	9.7	7.9	7.2	7.8	8.7
16 Capital Costs	(15.6)	(4.3)	(2.2)	1.2	1.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	407.43	304.81	288.87	195.40	232.28
19 Depreciation and Amortization	210.03	190.59	178.22	167.24	153.72
20 Other Operations Expense	164.11	146.83	180.04	237.03	205.40
21 Income Taxes - Operating Taxes	(66.13)	(19.32)	(21.09)	1.80	5.65
22 Other Taxes - Operating Taxes	65.35	50.85	47.76	51.55	57.99
23 Capital Costs	(105.52)	(27.57)	(14.79)	8.01	9.81
24 Total	675.27	646.18	659.02	661.02	664.84

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,

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,834,316,862	\$3,544,891,568	\$3,446,835,728	\$3,070,934,841	\$2,985,068,759	1
Central Office Assets	12,549,221,730	12,274,547,076	11,658,669,490	10,689,340,477	9,646,136,036	2
Information Origination/Termination	571,284,578	635,825,501	743,622,056	773,744,071	723,379,305	3
Cable And Wire Facilities	11,440,709,790	11,023,524,868	10,505,279,921	10,007,054,366	9,610,373,737	4
Amortizable Assets	803,069,602	772,442,572	841,389,486	787,453,720	512,632,588	5
Total Plant In Service	29,198,602,562	28,251,231,584	27,195,796,682	25,328,527,474	23,477,590,424	6
Property Held For Future Use	2,001,759	2,001,759	1,747,262	1,747,262	1,747,498	7
Plant Under Construction	169,832,171	368,075,826	412,480,455	518,484,359	639,061,977	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	32,364,339	142,422,218	109,103,099	4,626,214	4,626,214	11
Goodwill						12
Total Telecommunications Plant	29,402,800,831	28,763,731,388	27,719,127,498	25,853,385,309	24,123,026,114	13
Less Acc. Prov. For Depreciation & Amort.	17,018,380,386	16,134,687,615	14,676,573,533	13,157,772,327	11,823,447,703	14
Net Total Utility Plant	\$12,384,420,445	\$12,629,043,772	\$13,042,553,965	\$12,695,612,982	\$12,299,578,410	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.42	0.52	0.46	0.51	0.58	16
Total Capitalization	\$7,834,907,077	\$9,090,730,957	\$6,412,135,580	\$6,428,848,397	\$7,491,314,680	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	48.4%	45.5%	49.8%	56.3%	48.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	23.6%	27.3%	54.7%	61.4%	54.1%	20
Short-Term Debt	28.1%	27.2%	-4.5%	-17.7%	-2.5%	21
Pretax Coverage of Interest Expense	-4.47	-1.16	-1.26	0.57	2.16	22
Com. Stock Dividends as a % of Earnings	-13.1%	-31.9%	-10.5%		153.9%	23
Return on Common Equity	-63.3%	-19.9%	-16.8%	-5.3%	4.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	204.7%	-91.9%	93.8%	82.7%	109.3%	25
CWIP as a % of Plant	0.6%	1.3%	1.5%	2.0%	2.6%	26

(1)

Current Assets	2,401,669,998	3,150,552,025	3,280,822,975	2,863,694,729	2,733,540,328
Current Liabilities	5,725,581,486	6,090,518,916	7,176,567,648	5,647,572,441	4,708,916,955
Total Capitalization	7,834,907,077	9,090,730,957	6,412,135,580	6,428,848,397	7,491,314,680
Long-Term Debt	3,789,734,370	4,135,076,018	3,195,962,366	3,619,114,062	3,619,798,365
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,846,943,253	2,486,063,336	3,506,936,711	3,947,539,590	4,055,249,514
Short-Term Debt	2,198,229,454	2,469,591,603	(290,763,496)	(1,137,805,256)	(183,733,199)
Pretax Income	(1,643,513,620)	(429,861,793)	(465,062,448)	242,156,891	737,560,216
Interest Expense	367,292,821	370,894,121	367,730,757	421,333,450	341,510,604
Common Dividends Paid	180,000,000	190,000,000	66,000,000		248,000,000
Net Income (Excl. Preferred Stock Dividends)	(1,370,426,530)	(596,126,994)	(627,296,169)	(212,293,608)	161,176,212
Internal Cash	2,474,062,592	(1,624,669,715)	2,257,650,232	1,942,828,014	2,375,195,291
Cash Outflows for Construction	(1,208,882,902)	(1,767,992,754)	(2,407,469,463)	(2,350,142,918)	(2,172,221,770)
CWIP	169,832,171	368,075,826	412,480,455	518,484,359	639,061,977
Total Plant	29,402,800,831	28,763,731,388	27,719,127,498	25,853,385,309	24,123,026,113
Shares Outstanding	1	1	1	1	1
Number of Employees	26,575	28,133	35,558	37,601	36,185

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$361,562	\$3,463,702	\$247,621	\$1,042,429	\$12,263,556	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	511,108	523,000	533,957	518,515	458,211	2
Changes in Deferred Income Taxes	(54,762)	38,050	(61)	(48,896)	149,614	3
Changes in Working Capital	42,455	57,094	(55,222)	(110,138)	175,322	4
Capitalized AFDC - Equity						5
Other	(235,436)	(3,469,990)	(155,546)	(864,255)	(11,949,865)	6
Total Non-Cash Items	263,365	(2,851,846)	323,128	(504,774)	(11,166,718)	7
Net Cash Provided From Operating Activities	<u>624,927</u>	<u>611,856</u>	<u>570,749</u>	<u>537,655</u>	<u>1,096,838</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(401,407)	(410,011)	(537,392)	(483,958)	(332,268)	9
Purchase of Other Investments	(120,274)	(5,062)	(23,812)	(40,889)	652,207	10
Sale of Other Investments	1,950	(13,147)	9,834	4,063	(4,108)	11
Other						12
Net Cash Provided From Investing Activities	<u>(519,731)</u>	<u>(428,220)</u>	<u>(551,370)</u>	<u>(520,784)</u>	<u>315,831</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(122,916)	(121,010)	(119,359)	(99,106)	(104,196)	14
Common Stock						15
Preferred Stock	(2,100)	(5,000)	(100)	(200)	(500)	16
Short-Term Debt	(3,696)	(3,158)	100,033	6,821	(1,228,854)	17
Dividends Paid	(5,163)	(5,304)	(5,586)	(5,592)	(19,976)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(133,875)</u>	<u>(134,472)</u>	<u>(25,012)</u>	<u>(98,077)</u>	<u>(1,353,526)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(28,679)	49,164	(5,633)	(81,206)	59,143	21
Cash & Equivalents at Beginning of Year	129,906	80,742	86,375	167,581	108,438	22
Cash & Equivalents at End of Year	\$101,227	\$129,906	\$80,742	\$86,375	\$167,581	23

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

	2003	2002	2001	2000	1999
1 Revenues	2,838,956	\$2,891,597	\$2,935,622	\$3,055,096	\$3,296,482
2 Access Lines	3,764	3,792	3,781	3,782	3,682
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,334,049	\$1,281,711	\$1,218,304	\$1,118,229	\$1,226,623
4 Depreciation and Amortization	509,923	521,813	532,770	517,328	457,024
5 Other Operations Expense	826,865	813,902	784,465	984,985	779,738
6 Total Operation Expenses	2,670,837	2,617,426	2,535,539	2,620,542	2,463,385
7 Income Taxes - Operating Taxes	(59,701)	(33,032)	22,133	3,734	168,076
8 Other Taxes - Operating Taxes	169,810	164,926	109,797	218,350	181,516
9 Capital Costs	58,010	142,277	268,153	212,470	483,505
10 Total	\$2,838,956	\$2,891,597	\$2,935,622	\$3,055,096	\$3,296,482
PERCENT OF REVENUES					
11 Wages and Benefits	47.0	44.3	41.5	36.6	37.2
12 Depreciation and Amortization	18.0	18.0	18.1	16.9	13.9
13 Other Operations Expense	29.1	28.1	26.7	32.2	23.7
14 Income Taxes - Operating Taxes	(2.1)	(1.1)	0.8	0.1	5.1
15 Other Taxes - Operating Taxes	6.0	5.7	3.7	7.1	5.5
16 Capital Costs	2.0	4.9	9.1	7.0	14.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	354.42	338.00	322.22	295.67	333.14
19 Depreciation and Amortization	135.47	137.61	140.91	136.79	124.12
20 Other Operations Expense	219.68	214.64	207.48	260.44	211.77
21 Income Taxes - Operating Taxes	(15.86)	(8.71)	5.85	0.99	45.65
22 Other Taxes - Operating Taxes	45.11	43.49	29.04	57.73	49.30
23 Capital Costs	15.41	37.52	70.92	56.18	131.32
24 Total	754.24	762.55	776.41	807.80	895.30

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,619,305	\$2,538,163	\$2,516,319	\$2,433,313	\$2,443,737	1
Central Office Assets	2,577,264	2,392,776	2,406,929	2,202,266	2,016,676	2
Information Origination/Termination	90,595	93,011	153,314	154,259	154,076	3
Cable And Wire Facilities	4,535,818	4,428,793	4,314,489	4,210,945	4,107,401	4
Amortizable Assets	45	45	45	45	45	5
Total Plant In Service	9,823,027	9,452,788	9,391,096	9,000,829	8,721,935	6
Property Held For Future Use						7
Plant Under Construction	32,195	43,631	53,253	85,190	79,664	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,855,222	9,496,419	9,444,349	9,086,019	8,801,599	13
Less Acc. Prov. For Depreciation & Amort.	5,369,557	4,900,806	4,746,396	4,383,590	4,081,310	14
Net Total Utility Plant	\$4,485,665	\$4,595,613	\$4,697,953	\$4,702,428	\$4,720,289	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.56	3.31	2.76	2.76	2.57	16
Total Capitalization	\$8,388,150	\$8,160,463	\$4,831,233	\$4,708,624	\$19,781,304	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.0%	19.0%	34.6%	38.0%	9.6%	18
Preferred Stock	1.0%	1.1%	1.9%	2.0%	0.5%	19
Common Stock & Retained Earnings	82.0%	79.9%	63.3%	59.9%	90.0%	20
Short-Term Debt		0.0%	0.1%	0.1%		21
Pretax Coverage of Interest Expense	4.48	35.65	3.50	10.40	94.26	22
Com. Stock Dividends as a % of Earnings					0.1%	23
Return on Common Equity	5.3%	72.2%	8.2%	10.1%	105.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	155.7%	149.2%	106.2%	111.1%	330.1%	25
CWIP as a % of Plant	0.3%	0.5%	0.6%	0.9%	0.9%	26

Current Assets	579,500	599,554	636,076	724,091	749,148
Current Liabilities	226,179	181,169	230,848	262,042	292,024
Total Capitalization	8,388,150	8,160,463	4,831,233	4,708,624	19,781,304
Long-Term Debt	1,426,926	1,549,842	1,670,852	1,790,211	1,889,317
Preferred Stock	86,000	88,100	93,100	93,200	93,400
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,875,224	6,518,825	3,060,427	2,818,392	17,798,587
Short-Term Debt		3,696	6,854	6,821	
Pretax Income	418,547	3,512,544	361,803	1,143,399	12,569,101
Interest Expense	93,396	98,525	103,435	109,926	133,350
Common Dividends Paid					14,372
Net Income (Excl. Preferred Stock Dividends)	356,399	3,458,398	242,035	1,036,837	12,257,952
Internal Cash	624,927	611,856	570,749	537,655	1,096,838
Cash Outflows for Construction	(401,407)	(410,011)	(537,392)	(483,958)	(332,268)
CWIP	32,195	43,631	53,253	85,190	79,664
Total Plant	9,855,222	9,496,419	9,444,349	9,086,019	8,801,599
Shares Outstanding	23	23	23	23	3,593
Number of Employees	27	28	29	29	27

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$210,222)	(\$397,423)	(\$50,565)	(\$764,713)	(\$551,731)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	685,302	683,968	690,813	725,236	710,283	2
Changes in Deferred Income Taxes	1,147	(56,562)	(14,359)	(20,984)	(46,689)	3
Changes in Working Capital	(342,138)	(137,640)	176,235	(93,333)	93,806	4
Capitalized AFDC - Equity						5
Other	210,379	469,733	240,709	380,522	598,339	6
Total Non-Cash Items	554,690	959,499	1,093,398	991,441	1,355,739	7
Net Cash Provided From Operating Activities	<u>344,468</u>	<u>562,076</u>	<u>1,042,833</u>	<u>226,728</u>	<u>804,008</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(117,775)	(270,609)	(111,531)	(312,367)	(588,394)	9
Purchase of Other Investments	(3,725)	48,139	177,720	(571,914)	228,493	10
Sale of Other Investments	35,055	1,089	12,865	4,629	2,811	11
Other						12
Net Cash Provided From Investing Activities	<u>(86,445)</u>	<u>(221,381)</u>	<u>79,054</u>	<u>(879,652)</u>	<u>(357,090)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(157,537)	(147,195)	(139,260)	(131,185)	(123,722)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt		(175,000)	(636,085)	769,085	(200,000)	17
Dividends Paid	(8,382)	(8,382)	(8,460)	(8,460)	(8,460)	18
Other Financing		624	(135,824)			19
Net Cash Provided From Financing Activities	<u>(165,919)</u>	<u>(329,953)</u>	<u>(919,629)</u>	<u>629,440</u>	<u>(332,182)</u>	20
Net Increase (Decrease) in Cash & Equivalents	92,104	10,742	202,258	(23,484)	114,736	21
Cash & Equivalents at Beginning of Year	297,950	287,208	84,950	108,434	(6,301)	22
Cash & Equivalents at End of Year	\$390,054	\$297,950	\$287,208	\$84,950	\$108,434	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,663,283	\$3,595,353	\$3,465,488	\$3,556,909	\$3,884,143
2 Access Lines	2,551	2,551	2,552	2,697	2,647

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,390,434	\$1,409,275	\$1,474,835	\$1,494,390	\$1,388,095
4 Depreciation and Amortization	684,183	682,849	689,695	724,119	709,164
5 Other Operations Expense	946,492	1,125,883	986,223	1,163,292	1,164,542
6 Total Operation Expenses	3,021,109	3,218,007	3,150,753	3,381,801	3,261,801
7 Income Taxes - Operating Taxes	63,890	(25,094)	(63,499)	60,293	17,213
8 Other Taxes - Operating Taxes	180,068	175,876	174,705	189,259	256,801
9 Capital Costs	398,216	226,565	203,529	(74,444)	348,328
10 Total	\$3,663,283	\$3,595,353	\$3,465,488	\$3,556,909	\$3,884,143

PERCENT OF REVENUES

11 Wages and Benefits	38.0	39.2	42.6	42.0	35.7
12 Depreciation and Amortization	18.7	19.0	19.9	20.4	18.3
13 Other Operations Expense	25.8	31.3	28.5	32.7	30.0
14 Income Taxes - Operating Taxes	1.7	(0.7)	(1.8)	1.7	0.4
15 Other Taxes - Operating Taxes	4.9	4.9	5.0	5.3	6.6
16 Capital Costs	10.9	6.3	5.9	(2.1)	9.0
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	545.05	552.44	577.91	554.09	524.40
19 Depreciation and Amortization	268.20	267.68	270.26	268.49	267.91
20 Other Operations Expense	371.03	441.35	386.45	431.33	439.95
21 Income Taxes - Operating Taxes	25.05	(9.84)	(24.88)	22.36	6.50
22 Other Taxes - Operating Taxes	70.59	68.94	68.46	70.17	97.02
23 Capital Costs	156.10	88.81	79.75	(27.60)	131.59
24 Total	1,436.02	1,409.39	1,357.95	1,318.84	1,467.38

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,042,599	\$3,091,719	\$3,080,552	\$3,202,073	\$3,432,061	1
Central Office Assets	2,403,216	2,339,596	2,317,496	2,310,196	2,342,078	2
Information Origination/Termination	207,958	207,958	208,908	208,908	208,908	3
Cable And Wire Facilities	4,760,491	4,720,297	4,680,992	4,652,913	4,547,796	4
Amortizable Assets	150	150	150	150	150	5
Total Plant In Service	10,414,414	10,359,720	10,288,098	10,374,240	10,530,993	6
Property Held For Future Use						7
Plant Under Construction	25,329	90,521	90,495	143,114	147,132	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,439,743	10,450,241	10,378,593	10,517,354	10,678,125	13
Less Acc. Prov. For Depreciation & Amort.	6,568,791	5,979,824	5,502,229	5,052,334	4,780,424	14
Net Total Utility Plant	\$3,870,952	\$4,470,417	\$4,876,364	\$5,465,020	\$5,897,701	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.61	1.65	1.20	0.66	1.30	16
Total Capitalization	\$5,814,179	\$6,190,320	\$6,806,234	\$7,945,841	\$8,530,540	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt	47.3%	47.1%	45.1%	40.5%	39.3%	18
Preferred Stock	1.7%	1.6%	1.5%	1.3%	1.2%	19
Common Stock & Retained Earnings	46.2%	46.9%	47.0%	44.8%	56.1%	20
Short-Term Debt	4.8%	4.4%	6.5%	13.5%	3.4%	21
Pretax Coverage of Interest Expense	0.06	-1.38	0.02	-1.84	-1.31	22
Com. Stock Dividends as a % of Earnings	-1.1%	-0.6%	-4.3%	-0.3%	-0.4%	23
Return on Common Equity	-7.7%	-13.2%	-1.7%	-18.5%	-11.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	292.5%	207.7%	935.0%	72.6%	136.6%	25
CWIP as a % of Plant	0.2%	0.9%	0.9%	1.4%	1.4%	26

Current Assets	1,474,708	1,194,532	909,593	974,442	754,360
Current Liabilities	564,708	722,696	757,883	1,472,559	579,350
Total Capitalization	5,814,179	6,190,320	6,806,234	7,945,841	8,530,540
Long-Term Debt	2,747,463	2,913,340	3,067,035	3,214,222	3,353,822
Preferred Stock	100,000	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,685,953	2,904,557	3,198,276	3,562,539	4,785,137
Short-Term Debt	280,763	272,423	440,923	1,069,081	291,581
Pretax Income	12,948	(274,984)	4,705	(446,159)	(304,912)
Interest Expense	222,910	198,876	224,995	242,932	232,508
Common Dividends Paid	2,382	2,382	2,460	2,460	2,460
Net Income (Excl. Preferred Stock Dividends)	(216,222)	(403,423)	(56,565)	(770,713)	(557,731)
Internal Cash	344,468	562,076	1,042,833	226,728	804,008
Cash Outflows for Construction	(117,775)	(270,609)	(111,531)	(312,367)	(588,394)
CWIP	25,329	90,521	90,495	143,114	147,132
Total Plant	10,439,743	10,450,241	10,378,593	10,517,354	10,678,125
Shares Outstanding	820	820	820	820	820
Number of Employees	19	18	21	24	22

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$2,285,040	\$4,025,661	\$182,795	\$271,646	\$1,264,258	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,030,496	1,469,431	3,048,733	2,465,358	2,512,976	2
Changes in Deferred Income Taxes	(89,696)	(641,117)	540,711	(1,071,098)	769,914	3
Changes in Working Capital	(2,764,757)	1,484,732	(607,489)	1,521,453	(2,225,420)	4
Capitalized AFDC - Equity			917,046			5
Other	(269,010)	(6,361,868)	(720,744)	(307,210)	39,959	6
Total Non-Cash Items	(1,092,967)	(4,048,822)	3,178,257	2,608,503	1,097,429	7
Net Cash Provided From Operating Activities	<u>1,192,073</u>	<u>(23,161)</u>	<u>3,361,052</u>	<u>2,880,149</u>	<u>2,361,687</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,110,888)	225,937	(1,088,811)	(2,849,868)	(1,819,630)	9
Purchase of Other Investments	1,585		3,859			10
Sale of Other Investments			(2,244,251)			11
Other				385,696	10,387	12
Net Cash Provided From Investing Activities	<u>(1,109,303)</u>	<u>225,937</u>	<u>(3,329,203)</u>	<u>(2,464,172)</u>	<u>(1,809,243)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(76,478)	(210,284)	(35,248)	(553,528)	(443,855)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(76,478)</u>	<u>(210,284)</u>	<u>(35,248)</u>	<u>(553,528)</u>	<u>(443,855)</u>	20
Net Increase (Decrease) in Cash & Equivalents	6,292	(7,508)	(3,399)	(137,552)	108,589	21
Cash & Equivalents at Beginning of Year	(7,530)	(22)	3,378	140,929	32,340	22
Cash & Equivalents at End of Year	(\$1,239)	(\$7,530)	(\$22)	\$3,378	\$140,929	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$11,058,983	\$10,907,951	\$10,322,636	\$10,070,115	\$10,791,824
2 Access Lines	22,380	22,808	23,391	23,353	23,101

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,060,513	\$591,923	\$3,125,471	\$2,692,985	\$2,582,949
4 Depreciation and Amortization	2,683,046	2,632,840	3,037,969	2,465,358	2,502,212
5 Other Operations Expense	2,914,600	2,777,854	3,171,687	2,510,244	2,596,645
6 Total Operation Expenses	6,658,159	6,002,617	9,335,127	7,668,587	7,681,806
7 Income Taxes - Operating Taxes	1,244,337	95,094	187,569	496,079	848,798
8 Other Taxes - Operating Taxes	574,834	465,197	451,600	971,057	684,879
9 Capital Costs	2,581,653	4,345,043	348,340	934,393	1,576,341
10 Total	\$11,058,983	\$10,907,951	\$10,322,636	\$10,070,115	\$10,791,824

PERCENT OF REVENUES

11 Wages and Benefits	9.6	5.4	30.3	26.7	23.9
12 Depreciation and Amortization	24.3	24.1	29.4	24.5	23.2
13 Other Operations Expense	26.4	25.5	30.7	24.9	24.1
14 Income Taxes - Operating Taxes	11.3	0.9	1.8	4.9	7.9
15 Other Taxes - Operating Taxes	5.2	4.3	4.4	9.6	6.3
16 Capital Costs	23.3	39.8	3.4	9.3	14.6
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	47.39	25.95	133.62	115.32	111.81
19 Depreciation and Amortization	119.89	115.43	129.88	105.57	108.32
20 Other Operations Expense	130.23	121.79	135.59	107.49	112.40
21 Income Taxes - Operating Taxes	55.60	4.17	8.02	21.24	36.74
22 Other Taxes - Operating Taxes	25.69	20.40	19.31	41.58	29.65
23 Capital Costs	115.36	190.51	14.89	40.01	68.24
24 Total	494.15	478.25	441.31	431.21	467.16

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,230,923	\$3,456,982	\$3,470,459	\$3,663,410	\$4,462,624	1
Central Office Assets	17,831,602	17,295,508	15,849,077	14,704,014	14,982,675	2
Information Origination/Termination	134,008	134,008	134,008	134,008	137,956	3
Cable And Wire Facilities	18,691,100	18,310,797	18,172,952	17,447,118	16,795,894	4
Amortizable Assets						5
Total Plant In Service	39,887,633	39,197,295	37,626,496	35,948,550	36,379,149	6
Property Held For Future Use						7
Plant Under Construction	923,215	502,664	2,035,061	2,482,486	1,340,113	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	40,810,848	39,699,959	39,661,557	38,431,036	37,719,262	13
Less Acc. Prov. For Depreciation & Amort.	22,313,407	20,282,911	18,813,480	16,961,006	16,633,742	14
Net Total Utility Plant	\$18,497,441	\$19,417,048	\$20,848,077	\$21,470,029	\$21,085,520	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.23	6.88	1.63	1.48	2.14	16
Total Capitalization	\$25,792,070	\$23,922,262	\$20,826,942	\$21,332,170	\$21,814,022	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.7%	20.4%	26.9%	29.3%	31.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	81.0%	77.8%	70.1%	67.5%	65.7%	20
Short-Term Debt	1.3%	1.7%	3.1%	3.2%	2.5%	21
Pretax Coverage of Interest Expense	11.98	12.57	1.71	1.88	4.94	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	11.6%	24.2%	1.3%	1.9%	9.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	107.3%	10.3%	308.7%	101.1%	129.8%	25
CWIP as a % of Plant	2.3%	1.3%	5.1%	6.5%	3.6%	26

Current Assets	46,555,799	6,752,871	5,683,936	4,170,029	4,885,878
Current Liabilities	37,986,455	981,759	3,485,975	2,824,625	2,285,649
Total Capitalization	25,792,070	23,922,262	20,826,942	21,332,170	21,814,022
Long-Term Debt	4,562,318	4,890,812	5,599,123	6,251,902	6,930,207
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	20,901,258	18,616,218	14,590,557	14,407,758	14,336,082
Short-Term Debt	328,494	415,232	637,262	672,510	547,733
Pretax Income	3,850,829	4,389,498	678,188	874,893	2,438,775
Interest Expense	321,452	349,244	396,962	464,287	493,763
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	2,285,040	4,025,661	182,795	271,646	1,264,258
Internal Cash	1,192,073	(23,161)	3,361,052	2,880,149	2,361,687
Cash Outflows for Construction	(1,110,888)	225,937	(1,088,811)	(2,849,868)	(1,819,630)
CWIP	923,215	502,664	2,035,061	2,482,486	1,340,113
Total Plant	40,810,848	39,699,959	39,661,557	38,431,036	37,719,262
Shares Outstanding	131,026	131,026	131,026	100	100
Number of Employees	14	18	12	20	20

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$55,658)	(\$855,341)	\$878,478	\$344,790	\$2,426,689	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,103,812	1,098,468	1,104,470	1,199,357	829,731	2
Changes in Deferred Income Taxes	(12,046)	(618,851)	91,757	182,952	(744,346)	3
Changes in Working Capital	76,013	(336,400)	387,405	(2,314,327)	1,989,294	4
Capitalized AFDC - Equity	0					5
Other	(5,475)	1,581,477	(1,248,040)	(210,268)	(3,625,761)	6
Total Non-Cash Items	1,162,304	1,724,694	335,592	(1,142,286)	(1,551,082)	7
Net Cash Provided From Operating Activities	1,106,646	869,353	1,214,070	(797,496)	875,607	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(324,277)	(365,242)	(229,144)	(834,699)	(1,448,375)	9
Purchase of Other Investments	344,556	(858,192)	1,300,771	(785,254)	(32,198)	10
Sale of Other Investments	175,821	82,348	(40,545)	10,361	4,521,873	11
Other						12
Net Cash Provided From Investing Activities	196,100	(1,141,086)	1,031,082	(1,609,592)	3,041,300	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(501,483)	(392,058)	(273,657)	1,082,788	(342,009)	14
Common Stock	0					15
Preferred Stock	(100)		(4,500)		(900)	16
Short-Term Debt	(30,000)	(20,000)	(20,136)	(75,799)	(801,952)	17
Dividends Paid	(3,918)	(3,924)	(4,059)	(4,194)	(4,221)	18
Other Financing						19
Net Cash Provided From Financing Activities	(535,501)	(415,982)	(302,352)	1,002,795	(1,149,082)	20
Net Increase (Decrease) in Cash & Equivalents	767,245	(687,715)	1,942,800	(1,404,293)	2,767,825	21
Cash & Equivalents at Beginning of Year	2,945,996	3,633,710	1,690,910	3,095,203	327,378	22
Cash & Equivalents at End of Year	\$3,713,241	\$2,945,996	\$3,633,710	\$1,690,910	\$3,095,203	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$4,197,054	\$4,499,595	\$5,069,070	\$5,876,597	\$5,183,810
2 Access Lines	3,906	3,906	3,919	3,904	3,781
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,663,098	\$1,718,242	\$1,852,526	\$2,810,741	\$2,377,054
4 Depreciation and Amortization	1,103,414	1,098,071	1,104,074	1,198,959	829,344
5 Other Operations Expense	981,325	1,046,460	953,244	1,274,324	1,385,491
6 Total Operation Expenses	3,747,837	3,862,773	3,909,844	5,284,023	4,591,888
7 Income Taxes - Operating Taxes	(60,524)	(661,782)	127,963	(36,113)	(43,702)
8 Other Taxes - Operating Taxes	255,166	257,042	253,532	280,457	304,552
9 Capital Costs	254,575	1,041,562	777,731	348,230	331,072
10 Total	\$4,197,054	\$4,499,595	\$5,069,070	\$5,876,597	\$5,183,810
PERCENT OF REVENUES					
11 Wages and Benefits	39.6	38.2	36.5	47.8	45.9
12 Depreciation and Amortization	26.3	24.4	21.8	20.4	16.0
13 Other Operations Expense	23.4	23.3	18.8	21.7	26.7
14 Income Taxes - Operating Taxes	(1.4)	(14.7)	2.5	(0.6)	(0.8)
15 Other Taxes - Operating Taxes	6.1	5.7	5.0	4.8	5.9
16 Capital Costs	6.1	23.1	15.3	5.9	6.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	425.78	439.90	472.70	719.96	628.68
19 Depreciation and Amortization	282.49	281.12	281.72	307.11	219.35
20 Other Operations Expense	251.24	267.91	243.24	326.41	366.43
21 Income Taxes - Operating Taxes	(15.50)	(169.43)	32.65	(9.25)	(11.56)
22 Other Taxes - Operating Taxes	65.33	65.81	64.69	71.84	80.55
23 Capital Costs	65.18	266.66	198.45	89.20	87.56
24 Total	1,074.51	1,151.97	1,293.46	1,505.28	1,371.02

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,553,373	\$3,434,111	\$3,269,421	\$3,238,365	\$3,162,011	1
Central Office Assets	4,647,475	4,549,631	4,570,538	4,517,719	5,286,388	2
Information Origination/Termination	135,136	205,455	208,381	277,320	283,636	3
Cable And Wire Facilities	5,152,624	5,076,175	4,964,810	4,977,163	4,666,580	4
Amortizable Assets	41,125	41,125	41,125			5
Total Plant In Service	13,529,733	13,306,497	13,054,275	13,010,567	13,398,615	6
Property Held For Future Use						7
Plant Under Construction	26,679	40,017	16,523	24,195	180,868	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,556,412	13,346,514	13,070,798	13,034,762	13,579,483	13
Less Acc. Prov. For Depreciation & Amort.	5,982,526	5,045,023	4,064,082	3,196,176	3,378,982	14
Net Total Utility Plant	\$7,573,886	\$8,301,491	\$9,006,716	\$9,838,586	\$10,200,501	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	145.39	17.16	12.04	68.96	1.70	16
Total Capitalization	\$16,792,110	\$17,131,862	\$18,346,473	\$18,774,315	\$22,101,513	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	38.6%	40.7%	40.2%	40.7%	29.7%	18
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	61.2%	58.9%	59.4%	58.7%	69.5%	20
Short-Term Debt	0.0%	0.2%	0.3%	0.4%	0.7%	21
Pretax Coverage of Interest Expense	0.58	-2.60	3.88	1.77	9.12	22
Com. Stock Dividends as a % of Earnings	-3.1%	-0.2%	0.2%	0.5%	0.1%	23
Return on Common Equity	-0.6%	-8.2%	8.0%	2.6%	19.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	341.3%	238.0%	529.8%	-95.5%	60.5%	25
CWIP as a % of Plant	0.2%	0.3%	0.1%	0.2%	1.3%	26

Current Assets	4,595,330	4,132,211	4,597,333	2,656,445	3,992,369
Current Liabilities	31,608	240,803	381,711	38,521	2,350,016
Total Capitalization	16,792,110	17,131,862	18,346,473	18,774,315	22,101,513
Long-Term Debt	6,473,998	6,975,481	7,367,539	7,641,196	6,558,408
Preferred Stock	35,350	35,450	35,450	39,950	39,950
Common Stock and Retained Earnings (Excl. Preferred Stock)	10,282,762	10,090,931	10,893,484	11,023,033	15,357,220
Short-Term Debt	0	30,000	50,000	70,136	145,935
Pretax Income	232,709	(1,070,315)	1,657,089	731,347	4,042,267
Interest Expense	403,855	411,158	427,473	413,815	443,439
Common Dividends Paid	1,797	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	(57,779)	(857,468)	876,216	342,393	2,424,265
Internal Cash	1,106,646	869,353	1,214,070	(797,496)	875,607
Cash Outflows for Construction	(324,277)	(365,242)	(229,144)	(834,699)	(1,448,375)
CWIP	26,679	40,017	16,523	24,195	180,868
Total Plant	13,556,412	13,346,514	13,070,798	13,034,762	13,579,483
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	24	24	24	56	50

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$1,271,029)	\$1,352,781	\$487,123	\$441,202	\$336,374	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	528,463	633,693	667,935	693,580	547,379	2
Changes in Deferred Income Taxes	(9,538)	118,851	(69,393)	(285,204)	(190,630)	3
Changes in Working Capital	244,087	388,829	(124,981)	(220,359)	245,229	4
Capitalized AFDC - Equity						5
Other	1,471,850	(1,296,823)	(134,209)	170,647	69,269	6
Total Non-Cash Items	2,234,862	(155,450)	339,352	358,664	671,247	7
Net Cash Provided From Operating Activities	963,833	1,197,331	826,475	799,866	1,007,621	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,873,419)	(1,178,398)	(1,422,471)	(802,150)	(677,640)	9
Purchase of Other Investments		50,000	70,000	120,000	(166,000)	10
Sale of Other Investments	(132,161)	287,404	800,000	152,471	280,000	11
Other	68,767	341	71,588	102,903	82,776	12
Net Cash Provided From Investing Activities	(1,936,813)	(840,653)	(480,883)	(426,776)	(480,864)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	657,791	157,812	(210,167)	(232,601)	(201,762)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	53,408	43,686	1,594	21,093		17
Dividends Paid	(70,467)	(70,091)	(65,213)	(67,751)	(63,365)	18
Other Financing	(97,772)	(90,195)	(1,970,632)			19
	59,688					
Net Cash Provided From Financing Activities	602,648	41,212	(2,244,418)	(279,259)	(265,127)	20
Net Increase (Decrease) in Cash & Equivalents	(370,332)	397,890	(1,898,826)	93,831	261,630	21
Cash & Equivalents at Beginning of Year	731,013	333,123	2,231,949	2,138,118	1,876,488	22
Cash & Equivalents at End of Year	\$360,681	\$731,013	\$333,123	\$2,231,949	\$2,138,118	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,572,479	\$3,692,687	\$3,569,422	\$3,614,313	\$3,387,664
2 Access Lines	5,111	5,272	5,367	5,349	5,393
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,198,766	\$1,267,273	\$1,242,015	\$1,286,050	\$1,262,458
4 Depreciation and Amortization	526,513	633,693	667,935	693,580	547,379
5 Other Operations Expense	1,351,152	1,321,865	1,063,288	1,119,914	1,046,110
6 Total Operation Expenses	3,076,431	3,222,831	2,973,238	3,099,544	2,855,947
7 Income Taxes - Operating Taxes	116,474	110,210	78,304	(60,613)	18,858
8 Other Taxes - Operating Taxes	193,950	175,109	166,441	169,088	228,784
9 Capital Costs	185,624	184,537	351,439	406,294	284,075
10 Total	\$3,572,479	\$3,692,687	\$3,569,422	\$3,614,313	\$3,387,664
PERCENT OF REVENUES					
11 Wages and Benefits	33.6	34.3	34.8	35.6	37.3
12 Depreciation and Amortization	14.7	17.2	18.7	19.2	16.2
13 Other Operations Expense	37.8	35.8	29.8	31.0	30.9
14 Income Taxes - Operating Taxes	3.3	3.0	2.2	(1.7)	0.6
15 Other Taxes - Operating Taxes	5.4	4.7	4.7	4.7	6.8
16 Capital Costs	5.2	5.0	9.8	11.2	8.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	234.55	240.38	231.42	240.43	234.09
19 Depreciation and Amortization	103.02	120.20	124.45	129.67	101.50
20 Other Operations Expense	264.36	250.73	198.12	209.37	193.98
21 Income Taxes - Operating Taxes	22.79	20.90	14.59	(11.33)	3.50
22 Other Taxes - Operating Taxes	37.95	33.21	31.01	31.61	42.42
23 Capital Costs	36.32	35.00	65.48	75.96	52.67
24 Total	698.98	700.43	665.07	675.70	628.16

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,020,782	\$1,952,765	\$1,939,953	\$1,851,561	\$1,929,771	1
Central Office Assets	5,962,920	5,410,626	5,437,026	4,829,254	4,516,935	2
Information Origination/Termination	63,774	50,125	46,844	48,438	220,084	3
Cable And Wire Facilities	5,150,371	4,394,999	3,722,077	3,331,531	3,134,024	4
Amortizable Assets						5
Total Plant In Service	13,197,848	11,808,515	11,145,900	10,060,784	9,800,814	6
Property Held For Future Use						7
Plant Under Construction	512,671	177,816	247,293	171,929	17,017	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,710,519	11,986,331	11,393,193	10,232,713	9,817,831	13
Less Acc. Prov. For Depreciation & Amort.	5,956,803	5,781,389	5,679,192	5,259,202	4,887,074	14
Net Total Utility Plant	\$7,753,715	\$6,204,942	\$5,714,001	\$4,973,511	\$4,930,757	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.68	2.23	1.98	4.74	4.09	16
Total Capitalization	\$9,767,042	\$8,825,646	\$8,669,429	\$8,621,400	\$8,664,072	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	15.4%	6.6%	4.9%	8.9%	12.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	81.8%	87.9%	90.0%	86.0%	82.4%	20
Short-Term Debt	2.9%	5.5%	5.1%	5.1%	4.8%	21
Pretax Coverage of Interest Expense	-15.08	15.95	5.89	4.40	4.13	22
Com. Stock Dividends as a % of Earnings	-5.5%	5.2%	13.4%	15.4%	26.9%	23
Return on Common Equity	-16.1%	17.4%	6.4%	6.1%	4.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	51.4%	101.6%	58.1%	99.7%	148.7%	25
CWIP as a % of Plant	3.7%	1.5%	2.2%	1.7%	0.2%	26

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$37,297	(\$94,642)	\$59,433	\$281,714	\$155,606	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	75,684	111,847	110,724	110,083	110,153	2
Changes in Deferred Income Taxes	1,902	120,828	(72,353)	(139,592)	25,893	3
Changes in Working Capital	3,030	43,009	1,326	(36,949)	(16,243)	4
Capitalized AFDC - Equity	0					5
Other	(5,862)	(3,890)	(2,791)	(3,809)	(60,651)	6
Total Non-Cash Items	74,754	271,794	36,906	(70,267)	59,152	7
Net Cash Provided From Operating Activities	<u>112,051</u>	<u>177,152</u>	<u>96,339</u>	<u>211,447</u>	<u>214,758</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(77,574)	(10,575)	(33,668)	(7,241)	(27,946)	9
Purchase of Other Investments	0					10
Sale of Other Investments	0	(1,938)	194	195	58	11
Other	295	1,734	3,060	329		12
Net Cash Provided From Investing Activities	<u>(77,279)</u>	<u>(10,779)</u>	<u>(30,414)</u>	<u>(6,717)</u>	<u>(27,888)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(5,906)	(5,618)	(5,345)	(5,082)	(4,837)	14
Common Stock					(17,322)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(5,906)</u>	<u>(5,618)</u>	<u>(5,345)</u>	<u>(5,082)</u>	<u>(22,159)</u>	20
Net Increase (Decrease) in Cash & Equivalents	28,866	160,755	60,580	199,648	164,711	21
Cash & Equivalents at Beginning of Year	1,302,448	1,141,693	1,081,113	881,465	716,754	22
Cash & Equivalents at End of Year	\$1,331,314	\$1,302,448	\$1,141,693	\$1,081,113	\$881,465	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$478,488	\$441,650	\$451,639	\$579,247	\$560,854
2 Access Lines	713	715	725	716	731
DOLLAR AMOUNTS					
3 Wages and Benefits	\$0	\$0	\$24,969	\$18,821	\$0
4 Depreciation and Amortization	75,684	111,846	110,723	110,083	\$110,153
5 Other Operations Expense	241,876	247,114	220,913	230,440	233,085
6 Total Operation Expenses	317,560	358,960	356,605	359,344	343,238
7 Income Taxes - Operating Taxes	84,197	69,220	21,002	62,243	64,510
8 Other Taxes - Operating Taxes	32,949	35,340	33,269	42,551	3,523
9 Capital Costs	43,782	(21,871)	40,763	115,109	149,583
10 Total	\$478,488	\$441,650	\$451,639	\$579,247	\$560,854
PERCENT OF REVENUES					
11 Wages and Benefits	0.0	0.0	5.5	3.2	0.0
12 Depreciation and Amortization	15.8	25.3	24.5	19.0	19.6
13 Other Operations Expense	50.6	56.0	48.9	39.8	41.6
14 Income Taxes - Operating Taxes	17.6	15.7	4.7	10.7	11.5
15 Other Taxes - Operating Taxes	6.9	8.0	7.4	7.3	0.6
16 Capital Costs	9.2	(5.0)	9.0	19.9	26.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	0.00	0.00	34.44	26.29	0.00
19 Depreciation and Amortization	106.15	156.43	152.72	153.75	150.69
20 Other Operations Expense	339.24	345.61	304.71	321.84	318.86
21 Income Taxes - Operating Taxes	118.09	96.81	28.97	86.93	88.25
22 Other Taxes - Operating Taxes	46.21	49.43	45.89	59.43	4.82
23 Capital Costs	61.41	(30.59)	56.22	160.77	204.63
24 Total	671.09	617.69	622.95	809.00	767.24

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$212,228	\$207,285	\$355,034	\$354,851	\$351,605	1
Central Office Assets	385,346	385,347	386,334	387,172	387,171	2
Information Origination/Termination	981	669	15,561	15,904	18,266	3
Cable And Wire Facilities	900,333	839,205	840,170	828,233	826,600	4
Amortizable Assets	18,383	150,021				5
Total Plant In Service	1,517,271	1,582,526	1,597,098	1,586,160	1,583,642	6
Property Held For Future Use						7
Plant Under Construction	479	278			2,900	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	1,517,750	1,582,804	1,597,098	1,586,160	1,586,542	13
Less Acc. Prov. For Depreciation & Amort.	861,847	935,906	851,062	763,068	660,610	14
Net Total Utility Plant	\$655,903	\$646,897	\$746,036	\$823,091	\$925,933	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	21.80	26.56	19.67	25.81	18.30	16
Total Capitalization	\$1,902,495	\$1,871,103	\$1,971,367	\$1,917,283	\$1,640,652	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	14.9%	15.4%	15.0%	15.7%	18.7%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	84.8%	84.2%	84.7%	84.0%	81.0%	20
Short-Term Debt	0.3%	0.3%	0.3%	0.3%	0.3%	21
Pretax Coverage of Interest Expense	9.47	-3.20	115.72	24.19	16.19	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%	-5.8%	105.3%	19.2%	12.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	144.4%	1675.2%	5243.3%	2920.1%	768.5%	25
CWIP as a % of Plant	0.0%	0.0%	0.0%	0.0%	0.2%	26

Current Assets	1,443,167	1,408,941	1,307,789	1,233,023	1,003,968
Current Liabilities	66,189	53,045	66,501	47,782	54,870
Total Capitalization	1,902,495	1,871,103	1,971,367	1,917,283	1,640,652
Long-Term Debt	282,769	288,995	294,923	300,559	306,240
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,613,106	1,575,808	1,670,453	1,611,025	1,329,312
Short-Term Debt	6,620	6,300	5,991	5,699	5,100
Pretax Income	140,863	(48,371)	1,779,642	378,377	257,165
Interest Expense	14,870	15,106	15,379	15,643	15,887
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	37,297	(94,642)	1,728,397	281,714	155,606
Internal Cash	112,051	177,152	1,765,303	211,447	214,758
Cash Outflows for Construction	(77,574)	(10,575)	(33,668)	(7,241)	(27,946)
CWIP	479	278	0	0	2,900
Total Plant	1,517,750	1,582,804	1,597,098	1,586,160	1,586,542
Shares Outstanding	149	149	149	149	149
Number of Employees	0	0	0	0	0

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$126,670	\$111,239	\$114,832	\$95,913	\$104,440	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	260,542	313,440	281,220	293,081	211,349	2
Changes in Deferred Income Taxes	50,706	35,732	(40)	(18,918)	19,454	3
Changes in Working Capital	526,010	(273,615)	171,599	(81,033)	127,606	4
Capitalized AFDC - Equity						5
Other	1,660	(29,150)	13,042	(17,055)	(8,004)	6
Total Non-Cash Items	838,918	46,407	465,821	176,075	350,405	7
Net Cash Provided From Operating Activities	<u>965,588</u>	<u>157,646</u>	<u>580,653</u>	<u>271,988</u>	<u>454,845</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(745,500)	(199,258)	(357,117)	(141,021)	(243,584)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	(3,057)	(16,381)	(6,134)	(2,754)	(2,436)	12
Net Cash Provided From Investing Activities	<u>(748,557)</u>	<u>(215,639)</u>	<u>(363,251)</u>	<u>(143,775)</u>	<u>(246,020)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(18,993)	(18,900)	(25,942)	(25,435)	(24,822)	14
Common Stock			(21,000)			15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(8,400)	(8,400)	(33,600)	(34,200)	(34,200)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(27,393)</u>	<u>(27,300)</u>	<u>(80,542)</u>	<u>(59,635)</u>	<u>(59,022)</u>	20
Net Increase (Decrease) in Cash & Equivalents	189,638	(85,293)	136,860	68,578	149,803	21
Cash & Equivalents at Beginning of Year	503,981	589,274	452,414	383,836	234,033	22
Cash & Equivalents at End of Year	\$693,619	\$503,981	\$589,274	\$452,414	\$383,836	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$1,771,123	\$1,774,413	\$1,667,582	\$1,704,611	\$1,620,706
2 Access Lines	1,387	1,456	1,467	1,481	1,499
DOLLAR AMOUNTS					
3 Wages and Benefits	\$956,681	\$948,846	\$951,027	\$950,989	\$887,399
4 Depreciation and Amortization	260,542	313,440	288,580	293,080	211,350
5 Other Operations Expense	287,263	303,540	237,061	272,197	293,931
6 Total Operation Expenses	1,504,486	1,565,826	1,476,668	1,516,266	1,392,680
7 Income Taxes - Operating Taxes	63,157	31,969	30,116	33,828	38,115
8 Other Taxes - Operating Taxes	82,068	76,152	73,827	78,181	91,558
9 Capital Costs	121,411	100,466	86,971	76,336	98,353
10 Total	\$1,771,123	\$1,774,413	\$1,667,582	\$1,704,611	\$1,620,706
PERCENT OF REVENUES					
11 Wages and Benefits	54.0	53.5	57.0	55.8	54.8
12 Depreciation and Amortization	14.7	17.7	17.3	17.2	13.0
13 Other Operations Expense	16.2	17.1	14.2	16.0	18.1
14 Income Taxes - Operating Taxes	3.6	1.8	1.8	2.0	2.4
15 Other Taxes - Operating Taxes	4.6	4.3	4.4	4.6	5.6
16 Capital Costs	6.9	5.7	5.2	4.5	6.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	689.75	651.68	648.28	642.13	591.99
19 Depreciation and Amortization	187.85	215.27	196.71	197.89	140.99
20 Other Operations Expense	207.11	208.48	161.60	183.79	196.08
21 Income Taxes - Operating Taxes	45.54	21.96	20.53	22.84	25.43
22 Other Taxes - Operating Taxes	59.17	52.30	50.33	52.79	61.08
23 Capital Costs	87.53	69.00	59.28	51.54	65.61
24 Total	1,276.95	1,218.69	1,136.73	1,150.99	1,081.19

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$971,589	\$837,336	\$837,379	\$831,680	\$874,208	1
Central Office Assets	1,756,276	1,401,694	1,169,884	1,124,381	1,110,661	2
Information Origination/Termination	1,053	1,026	1,071	1,077	1,150	3
Cable And Wire Facilities	1,578,523	1,387,623	1,261,576	1,165,150	1,136,207	4
Amortizable Assets						5
Total Plant In Service	4,307,440	3,627,679	3,269,910	3,122,288	3,122,226	6
Property Held For Future Use						7
Plant Under Construction	173,178	167,242	360,509	165,346	84,468	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	4,480,618	3,794,921	3,630,419	3,287,634	3,206,694	13
Less Acc. Prov. For Depreciation & Amort.	2,653,464	2,460,041	2,202,057	1,941,141	1,721,649	14
Net Total Utility Plant	\$1,827,154	\$1,334,880	\$1,428,362	\$1,346,493	\$1,485,045	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.82	7.80	3.20	4.77	3.00	16
Total Capitalization	\$1,907,294	\$1,807,922	\$1,731,027	\$1,703,595	\$1,666,698	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	5.0%	6.3%	7.7%	9.3%	11.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.0%	92.6%	90.8%	89.2%	87.5%	20
Short-Term Debt	1.0%	1.0%	1.5%	1.5%	1.5%	21
Pretax Coverage of Interest Expense	38.52	25.68	21.61	17.36	17.65	22
Com. Stock Dividends as a % of Earnings	6.6%	7.6%	29.3%	35.7%	32.7%	23
Return on Common Equity	7.3%	6.9%	7.4%	6.4%	7.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	129.5%	79.1%	162.6%	192.9%	186.7%	25
CWIP as a % of Plant	3.9%	4.4%	9.9%	5.0%	2.6%	26

Current Assets	959,575	881,198	840,550	775,636	688,102
Current Liabilities	526,173	112,937	262,491	162,679	229,633
Total Capitalization	1,907,294	1,807,922	1,731,027	1,703,595	1,666,698
Long-Term Debt	95,007	114,001	132,902	158,844	184,280
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,793,294	1,675,024	1,572,185	1,519,313	1,457,600
Short-Term Debt	18,993	18,897	25,940	25,438	24,818
Pretax Income	193,803	147,748	150,678	136,307	149,668
Interest Expense	5,031	5,754	6,973	7,854	8,478
Common Dividends Paid	8,400	8,400	33,600	34,200	34,200
Net Income (Excl. Preferred Stock Dividends)	126,670	111,239	114,832	95,913	104,440
Internal Cash	965,588	157,646	580,653	271,988	454,845
Cash Outflows for Construction	(745,500)	(199,258)	(357,117)	(141,021)	(243,584)
CWIP	173,178	167,242	360,509	165,346	84,468
Total Plant	4,480,618	3,794,921	3,630,419	3,287,634	3,206,694
Shares Outstanding	1,920	1,920	1,920	1,920	1,920
Number of Employees	12	12	12	12	12

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$629,756	\$45,205	\$435,512	\$650,878	\$6,305,185	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	593,974	719,623	703,786	679,125	669,762	2
Changes in Deferred Income Taxes	52,580	4,917	(65,043)	(4,483)	76,677	3
Changes in Working Capital	(232,496)	364,563	(98,835)	(1,092,287)	731,632	4
Capitalized AFDC - Equity	0					5
Other	34,116	(33,171)	(7,924)	(27,344)	(9,699,413)	6
Total Non-Cash Items	448,174	1,055,932	531,984	(444,989)	(8,221,342)	7
Net Cash Provided From Operating Activities	<u>1,077,930</u>	<u>1,101,137</u>	<u>967,496</u>	<u>205,889</u>	<u>(1,916,157)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(507,869)	(243,683)	(474,639)	(407,652)	(501,816)	9
Purchase of Other Investments	0					10
Sale of Other Investments	97,500	(390,000)			2,000	11
Other	(16,224)	(32,538)	(9,266)	(1,331)	9,672,701	12
Net Cash Provided From Investing Activities	<u>(426,593)</u>	<u>(666,221)</u>	<u>(483,905)</u>	<u>(408,983)</u>	<u>9,172,885</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(389,568)	116,945	(259,231)	(245,891)	(233,525)	14
Common Stock					(15,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(389,568)</u>	<u>116,945</u>	<u>(259,231)</u>	<u>(245,891)</u>	<u>(248,525)</u>	20
Net Increase (Decrease) in Cash & Equivalents	261,769	551,861	224,361	(448,985)	7,008,203	21
Cash & Equivalents at Beginning of Year	8,909,708	8,357,846	8,133,486	8,582,471	1,574,268	22
Cash & Equivalents at End of Year	\$9,171,477	\$8,909,708	\$8,357,846	\$8,133,486	\$8,582,471	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$2,821,615	\$2,783,372	\$3,035,824	\$3,413,442	\$3,397,059
2 Access Lines	3,742	3,792	3,780	3,786	3,619

DOLLAR AMOUNTS

3 Wages and Benefits	\$430,844	\$318,574	\$269,280	\$223,277	\$258,375
4 Depreciation and Amortization	593,974	719,623	703,786	679,125	669,762
5 Other Operations Expense	1,477,084	1,425,708	1,425,775	1,539,588	1,495,489
6 Total Operation Expenses	2,501,902	2,463,905	2,398,841	2,441,990	2,423,626
7 Income Taxes - Operating Taxes	(1,613,681)	21,858	114,420	253,789	233,280
8 Other Taxes - Operating Taxes	182,248	221,018	178,961	189,362	193,394
9 Capital Costs	1,751,146	76,591	343,602	528,301	546,759
10 Total	\$2,821,615	\$2,783,372	\$3,035,824	\$3,413,442	\$3,397,059

PERCENT OF REVENUES

11 Wages and Benefits	15.3	11.4	8.9	6.5	7.6
12 Depreciation and Amortization	21.1	25.9	23.2	19.9	19.7
13 Other Operations Expense	52.3	51.2	47.0	45.1	44.0
14 Income Taxes - Operating Taxes	(57.2)	0.8	3.8	7.4	6.9
15 Other Taxes - Operating Taxes	6.5	7.9	5.9	5.5	5.7
16 Capital Costs	62.1	2.8	11.3	15.5	16.1
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	115.14	84.01	71.24	58.97	71.39
19 Depreciation and Amortization	158.73	189.77	186.19	179.38	185.07
20 Other Operations Expense	394.73	375.98	377.19	406.65	413.23
21 Income Taxes - Operating Taxes	(431.23)	5.76	30.27	67.03	64.46
22 Other Taxes - Operating Taxes	48.70	58.29	47.34	50.02	53.44
23 Capital Costs	467.97	20.20	90.90	139.54	151.08
24 Total	754.04	734.01	803.13	901.60	938.67

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,087,168	\$1,091,487	\$1,593,537	\$1,554,180	\$1,534,001	1
Central Office Assets	3,373,402	3,337,158	3,311,493	3,260,035	3,177,753	2
Information Origination/Termination	14,230	21,525	53,500	48,312	73,861	3
Cable And Wire Facilities	5,450,630	5,237,965	5,115,847	4,914,983	4,721,393	4
Amortizable Assets	129,248	571,439				5
Total Plant In Service	10,054,678	10,259,574	10,074,377	9,777,510	9,507,008	6
Property Held For Future Use						7
Plant Under Construction	53,061	37,734	39,028	4,801	27,148	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,107,739	10,297,308	10,113,405	9,782,311	9,534,156	13
Less Acc. Prov. For Depreciation & Amort.	4,554,283	4,701,625	4,076,041	3,525,924	3,008,262	14
Net Total Utility Plant	\$5,553,456	\$5,595,683	\$6,037,364	\$6,256,387	\$6,525,894	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	13.34	14.03	14.56	13.41	6.14	16
Total Capitalization	\$14,590,607	\$14,330,812	\$14,168,661	\$13,992,380	\$13,587,393	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	17.0%	20.0%	19.8%	22.0%	24.5%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	80.7%	77.7%	78.3%	76.2%	73.7%	20
Short-Term Debt	2.4%	2.2%	1.9%	1.9%	1.8%	21
Pretax Coverage of Interest Expense	2.16	1.50	4.76	7.02	54.75	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	5.5%	0.4%	4.0%	6.3%	92.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	212.2%	451.9%	203.8%	50.5%	-381.8%	25
CWIP as a % of Plant	0.5%	0.4%	0.4%	0.0%	0.3%	26

Current Assets	10,056,430	9,591,440	9,411,492	9,164,817	9,388,579
Current Liabilities	753,712	683,542	646,217	683,608	1,529,181
Total Capitalization	14,590,607	14,330,812	14,168,661	13,992,380	13,587,393
Long-Term Debt	2,476,120	2,871,221	2,798,349	3,071,503	3,331,291
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,771,539	11,141,783	11,096,578	10,661,065	10,010,187
Short-Term Debt	342,948	317,808	273,734	259,812	245,915
Pretax Income	308,918	269,140	815,158	1,295,109	10,778,326
Interest Expense	142,962	179,316	171,215	184,491	196,877
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	629,756	45,205	435,512	650,878	6,305,185
Internal Cash	1,077,930	1,101,137	967,496	205,889	(1,916,157)
Cash Outflows for Construction	(507,869)	(243,683)	(474,639)	(407,652)	(501,816)
CWIP	53,061	37,734	39,028	4,801	27,148
Total Plant	10,107,739	10,297,308	10,113,405	9,782,311	9,534,156
Shares Outstanding	1,330	1,330	1,330	1,330	1,340
Number of Employees	7	6	6	6	6

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$28,195,318	\$69,595,956	\$51,610,818	\$32,795,310	\$93,782,928	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	70,120,884	72,050,832	54,895,295	52,352,400	59,986,407	2
Changes in Deferred Income Taxes	(35,793,876)	205,007,410	(61,944,141)	52,612,090	(31,202,210)	3
Changes in Working Capital	(60,546,797)	(511,074,210)	31,237,000	(7,994,795)	(12,168,012)	4
Capitalized AFDC - Equity	2,112,257	309,100	188,893	(412,946)	(1,440,978)	5
Other	(30,759,320)	(22,155,301)	(183,883,154)	(10,767,285)	5,121,885	6
Total Non-Cash Items	(54,866,852)	(255,862,169)	(159,506,106)	85,789,464	20,297,092	7
Net Cash Provided From Operating Activities	<u>(26,671,534)</u>	<u>(186,266,213)</u>	<u>(107,895,288)</u>	<u>118,584,774</u>	<u>114,080,020</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(96,952,904)	(1,043,463,554)	(131,680,167)	(109,847,920)	(102,861,714)	9
Purchase of Other Investments	(739,306,919)	307,990,886	175,682,717	(6,513,984)	(10,955,878)	10
Sale of Other Investments	854,866,916	967,859,717	(3,082,225)	(1,555,028)	(877,733)	11
Other						12
Net Cash Provided From Investing Activities	<u>18,607,093</u>	<u>232,387,049</u>	<u>40,920,325</u>	<u>(117,916,932)</u>	<u>(114,695,325)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(40,000,000)	40,000,000			14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(23,000,000)		18
Other Financing			712,160	117,582	117,582	19
Net Cash Provided From Financing Activities		<u>(40,000,000)</u>	<u>40,712,160</u>	<u>(22,882,418)</u>	<u>117,582</u>	20
Net Increase (Decrease) in Cash & Equivalents	(8,064,441)	6,120,836	(26,262,803)	(22,214,576)	(497,723)	21
Cash & Equivalents at Beginning of Year	10,249,102	4,128,267	30,391,070	52,605,646	53,103,369	22
Cash & Equivalents at End of Year	\$2,184,661	\$10,249,102	\$4,128,267	\$30,391,070	\$52,605,646	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$340,204,135	\$355,078,179	\$372,753,377	\$363,257,630	\$347,982,106
2 Access Lines	530,480	547,891	566,805	582,340	553,524

DOLLAR AMOUNTS

3 Wages and Benefits	\$83,151,647	\$81,577,478	\$181,019,919	\$103,966,674	\$83,246,109
4 Depreciation and Amortization	31,983,144	63,244,522	59,364,119	56,117,952	63,265,251
5 Other Operations Expense	111,162,525	92,798,221	29,181,094	98,146,761	85,442,128
6 Total Operation Expenses	226,297,315	237,620,222	269,565,131	258,231,387	231,953,488
7 Income Taxes - Operating Taxes	16,022,644	10,391,997	59,866,663	59,866,663	(2,269,410)
8 Other Taxes - Operating Taxes	22,166,766	17,239,157	14,578,137	14,578,137	23,092,942
9 Capital Costs	75,717,410	89,826,804	28,743,446	30,581,444	95,205,086
10 Total	\$340,204,135	\$355,078,179	\$372,753,377	\$363,257,630	\$347,982,106

PERCENT OF REVENUES

11 Wages and Benefits	24.4	23.0	48.6	28.6	23.9
12 Depreciation and Amortization	9.4	17.8	15.9	15.4	18.2
13 Other Operations Expense	32.7	26.1	7.8	27.0	24.6
14 Income Taxes - Operating Taxes	4.7	2.9	16.1	16.5	(0.7)
15 Other Taxes - Operating Taxes	6.5	4.9	3.9	4.0	6.6
16 Capital Costs	22.3	25.3	7.7	8.4	27.4
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	156.75	148.89	319.37	178.53	150.39
19 Depreciation and Amortization	60.29	115.43	104.73	96.37	114.30
20 Other Operations Expense	209.55	169.37	51.48	168.54	154.36
21 Income Taxes - Operating Taxes	30.20	18.97	105.62	102.80	(4.10)
22 Other Taxes - Operating Taxes	41.79	31.46	25.72	25.03	41.72
23 Capital Costs	142.73	163.95	50.71	52.51	172.00
24 Total	641.31	648.08	657.64	623.79	628.67

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$138,000,231	\$132,000,068	\$100,748,817	\$87,243,249	\$89,203,196	1
Central Office Assets	544,617,233	517,580,083	444,856,631	421,741,371	408,692,087	2
Information Origination/Termination	15,349,372	15,130,354	14,376,831	13,790,895	13,233,502	3
Cable And Wire Facilities	631,103,358	584,575,870	516,807,875	500,688,827	486,523,740	4
Amortizable Assets	12,187,367	12,845,319	7,921,245	4,907,264	4,583,169	5
Total Plant In Service	1,341,257,561	1,262,131,694	1,084,711,399	1,028,371,606	1,002,235,694	6
Property Held For Future Use						7
Plant Under Construction	14,243,663	69,755,506	196,419,021	126,728,814	87,448,085	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,065,321	2,065,321	2,065,321	2,066,586	2,066,586	11
Goodwill						12
Total Telecommunications Plant	1,357,566,545	1,333,952,521	1,283,195,741	1,157,167,006	1,091,750,365	13
Less Acc. Prov. For Depreciation & Amort.	737,051,640	680,986,552	633,478,521	586,782,443	580,888,501	14
Net Total Utility Plant	\$620,514,904	\$652,965,969	\$649,717,220	\$570,384,563	\$510,861,864	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.18	9.06	0.51	1.40	1.79	16
Total Capitalization	\$590,602,836	\$612,704,051	\$547,888,379	\$548,017,992	\$538,009,430	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt				7.3%	7.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	92.7%	92.6%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	1.83	4.19	9.38	14.71	16.51	22
Com. Stock Dividends as a % of Earnings				70.1%		23
Return on Common Equity	4.7%	12.0%	5.7%	6.5%	20.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-27.5%	-17.9%	-109.0%	108.0%	110.9%	25
CWIP as a % of Plant	1.0%	5.2%	15.3%	11.0%	8.0%	26

Current Assets	119,080,098	578,616,896	74,105,488	140,818,586	133,809,225
Current Liabilities	650,409,169	63,846,310	144,542,449	100,506,038	74,842,361
Total Capitalization	590,602,836	612,704,051	547,888,379	548,017,992	538,009,430
Long-Term Debt				40,000,000	40,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	590,602,836	612,704,051	547,888,379	508,017,992	498,009,430
Short-Term Debt					
Pretax Income	97,668,217	105,099,739	97,583,873	99,421,871	97,287,941
Interest Expense	53,450,211	25,111,787	10,405,847	6,759,898	5,893,302
Common Dividends Paid				23,000,000	
Net Income (Excl. Preferred Stock Dividends)	28,195,318	69,595,956	29,839,336	32,795,310	93,782,928
Internal Cash	(26,671,534)	(186,266,213)	(143,206,721)	118,584,774	114,080,020
Cash Outflows for Construction	(96,952,904)	(1,043,463,554)	(131,386,915)	(109,847,920)	(102,861,714)
CWIP	14,243,663	69,755,506	196,419,021	126,728,814	87,448,085
Total Plant	1,357,566,544	1,333,952,521	1,283,195,741	1,157,167,006	1,091,750,365
Shares Outstanding					
Number of Employees	1,181	1,224	2,484	2,049	1,785

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$780,935	\$884,437	\$795,176	\$682,354	\$664,535	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	918,383	891,095	771,838	784,590	737,678	2
Changes in Deferred Income Taxes	153,580	(83,234)	34,298	127,068	138,040	3
Changes in Working Capital	(212,280)	(26,278)	48,784	(152,501)	(106,821)	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	859,683	781,583	854,920	759,157	768,897	7
Net Cash Provided From Operating Activities	<u>1,640,618</u>	<u>1,666,020</u>	<u>1,650,096</u>	<u>1,441,511</u>	<u>1,433,432</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,020,156)	(602,027)	(512,880)	(732,137)	(617,003)	9
Purchase of Other Investments						10
Sale of Other Investments	13,995		6,295	1,100	16,395	11
Other	(26,684)		(12,563)	(3,470)	(11,290)	12
Net Cash Provided From Investing Activities	<u>(1,032,845)</u>	<u>(602,027)</u>	<u>(519,148)</u>	<u>(734,507)</u>	<u>(611,898)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock	(840,000)	(840,000)	(840,000)	(1,200,000)	(1,200,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(49,336)	(23,642)	(181,950)	(228,829)	310,763	19
Net Cash Provided From Financing Activities	<u>(889,336)</u>	<u>(863,642)</u>	<u>(1,021,950)</u>	<u>(1,428,829)</u>	<u>(889,237)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(281,563)	200,351	108,998	(721,825)	(67,703)	21
Cash & Equivalents at Beginning of Year	725,279	524,928	415,930	1,137,755	1,205,458	22
Cash & Equivalents at End of Year	\$443,716	\$725,279	\$524,928	\$415,930	\$1,137,755	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,308,792	\$5,196,241	\$5,055,444	\$4,906,070	\$5,216,024
2 Access Lines	8,915	9,114	9,288	8,978	8,745
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,978,388	\$2,025,155	\$2,021,167	\$1,955,344	\$1,936,699
4 Depreciation and Amortization	918,383	891,095	771,838	784,590	737,678
5 Other Operations Expense	1,129,865	982,490	830,100	823,882	854,608
6 Total Operation Expenses	4,026,636	3,898,740	3,623,105	3,563,816	3,528,985
7 Income Taxes - Operating Taxes	373,867	395,493	492,493	503,969	752,598
8 Other Taxes - Operating Taxes	244,971	161,470	218,598	294,968	337,899
9 Capital Costs	663,318	740,538	721,248	543,317	596,542
10 Total	\$5,308,792	\$5,196,241	\$5,055,444	\$4,906,070	\$5,216,024
PERCENT OF REVENUES					
11 Wages and Benefits	37.3	39.0	40.0	39.9	37.1
12 Depreciation and Amortization	17.3	17.1	15.3	16.0	14.1
13 Other Operations Expense	21.3	18.9	16.4	16.8	16.4
14 Income Taxes - Operating Taxes	7.0	7.6	9.7	10.3	14.4
15 Other Taxes - Operating Taxes	4.6	3.1	4.3	6.0	6.5
16 Capital Costs	12.5	14.3	14.3	11.1	11.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	221.92	222.20	217.61	217.79	221.46
19 Depreciation and Amortization	103.02	97.77	83.10	87.39	84.35
20 Other Operations Expense	126.74	107.80	89.37	91.77	97.73
21 Income Taxes - Operating Taxes	41.94	43.39	53.02	56.13	86.06
22 Other Taxes - Operating Taxes	27.48	17.72	23.54	32.85	38.64
23 Capital Costs	74.40	81.25	77.65	60.52	68.22
24 Total	595.49	570.14	544.30	546.45	596.46

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,948,467	\$1,915,452	\$1,821,681	\$1,789,059	\$1,636,955	1
Central Office Assets	5,378,372	4,968,891	4,842,784	4,696,145	4,420,563	2
Information Origination/Termination	333,945	333,945	333,945	333,945	333,945	3
Cable And Wire Facilities	6,797,681	6,368,671	6,067,404	5,812,543	5,576,533	4
Amortizable Assets						5
Total Plant In Service	14,458,465	13,586,959	13,065,814	12,631,692	11,967,996	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	871,054	837,047	806,030	771,677	735,572	11
Goodwill						12
Total Telecommunications Plant	15,329,519	14,424,006	13,871,844	13,403,369	12,703,568	13
Less Acc. Prov. For Depreciation & Amort.	10,651,436	9,860,385	9,019,155	8,297,990	7,548,106	14
Net Total Utility Plant	\$4,678,083	\$4,563,621	\$4,852,689	\$5,105,379	\$5,155,462	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	12.79	5.23	4.29	5.33	5.35	16
Total Capitalization	\$4,772,879	\$4,831,944	\$4,787,507	\$4,832,331	\$5,349,977	17
Percent Of Capitalization (Incl. S-T- Debt)						
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	642.56	712.07	716.37	660.07	788.30	22
Com. Stock Dividends as a % of Earnings	107.6%	95.0%	105.6%	175.9%	180.6%	23
Return on Common Equity	16.3%	18.4%	16.5%	13.4%	11.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	160.8%	276.7%	321.7%	196.9%	232.3%	25
CWIP as a % of Plant						26

Current Assets	1,286,611	1,578,162	1,533,891	1,181,813	1,777,307
Current Liabilities	100,595	301,714	357,588	221,836	332,083
Total Capitalization	4,772,879	4,831,944	4,787,507	4,832,331	5,349,977
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,772,879	4,831,944	4,787,507	4,832,331	5,349,977
Short-Term Debt					
Pretax Income	1,156,602	1,281,730	1,289,469	1,188,123	1,418,933
Interest Expense	1,800	1,800	1,800	1,800	1,800
Common Dividends Paid	840,000	840,000	840,000	1,200,000	1,200,000
Net Income (Excl. Preferred Stock Dividends)	780,935	884,437	795,176	682,354	664,535
Internal Cash	1,640,618	1,666,020	1,650,096	1,441,511	1,433,432
Cash Outflows for Construction	(1,020,156)	(602,027)	(512,880)	(732,137)	(617,003)
CWIP					
Total Plant	15,329,519	14,424,006	13,871,844	13,403,369	12,703,568
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	26	25	25	24	24

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$9,834,194	\$8,051,025	\$6,199,623	\$5,525,344	\$10,317,076	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,062,621	3,947,490	3,431,067	3,155,228	3,107,322	2
Changes in Deferred Income Taxes	(170,716)	(569,170)	(323,841)	65,005	(395,138)	3
Changes in Working Capital	1,415,668	(1,588,834)	(2,070,986)	6,412,062	761,913	4
Capitalized AFDC - Equity	(82,125)	(99,281)	(164,734)	(138,608)	(115,266)	5
Other	(463,853)	119,585	213,320	(4,545,153)	2,737,286	6
Total Non-Cash Items	3,761,595	1,809,790	1,084,826	4,948,534	6,096,117	7
Net Cash Provided From Operating Activities	<u>13,595,789</u>	<u>9,860,815</u>	<u>7,284,449</u>	<u>10,473,878</u>	<u>16,413,193</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(916,916)	(3,030,982)	(3,989,229)	(5,812,236)	(4,643,841)	9
Purchase of Other Investments	0					10
Sale of Other Investments	0			467,163		11
Other	1,185,853	1,462,623	76,060	(3,429,321)	(44,695)	12
Net Cash Provided From Investing Activities	<u>268,937</u>	<u>(1,568,359)</u>	<u>(3,913,169)</u>	<u>(8,774,394)</u>	<u>(4,688,536)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(422,659)	(388,431)	(358,149)	(407,403)	(221,760)	14
Common Stock	(13,159,000)	(7,711,000)				15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(2,893,000)	(1,991,000)	(12,070,000)	18
Other Financing					(39,374)	19
Net Cash Provided From Financing Activities	<u>(13,581,659)</u>	<u>(8,099,431)</u>	<u>(3,251,149)</u>	<u>(2,398,403)</u>	<u>(12,331,134)</u>	20
Net Increase (Decrease) in Cash & Equivalents	283,067	193,025	120,131	(698,919)	(606,477)	21
Cash & Equivalents at Beginning of Year	468,949	275,925	155,794	854,713	1,461,190	22
Cash & Equivalents at End of Year	\$752,017	\$468,949	\$275,925	\$155,794	\$854,713	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$20,669,654	\$20,185,562	\$19,818,589	\$19,554,896	\$19,003,040
2 Access Lines	28,836	28,948	28,547	27,494	26,608

DOLLAR AMOUNTS

3 Wages and Benefits	4,548,338	5,647,253	\$5,094,512	\$5,592,688	\$5,333,450
4 Depreciation and Amortization	4,050,578	3,945,279	3,428,856	3,153,017	3,105,111
5 Other Operations Expense	5,697,994	5,217,670	5,685,980	5,058,059	4,717,710
6 Total Operation Expenses	14,296,910	14,810,202	14,209,348	13,803,764	13,156,272
7 Income Taxes - Operating Taxes	1,698,216	1,409,178	1,444,866	2,508,283	2,001,152
8 Other Taxes - Operating Taxes	935,768	763,150	1,099,528	1,093,025	1,236,528
9 Capital Costs	3,738,759	3,203,032	3,064,847	2,149,824	2,609,088
10 Total	\$20,669,654	\$20,185,562	\$19,818,589	\$19,554,896	\$19,003,040

PERCENT OF REVENUES

11 Wages and Benefits	22.0	28.0	25.7	28.6	28.1
12 Depreciation and Amortization	19.6	19.5	17.3	16.1	16.3
13 Other Operations Expense	27.6	25.8	28.7	25.9	24.8
14 Income Taxes - Operating Taxes	8.2	7.0	7.3	12.8	10.5
15 Other Taxes - Operating Taxes	4.5	3.8	5.5	5.6	6.5
16 Capital Costs	18.1	15.9	15.5	11.0	13.7
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	157.73	195.08	178.46	203.41	200.45
19 Depreciation and Amortization	140.47	136.29	120.11	114.68	116.70
20 Other Operations Expense	197.60	180.24	199.18	183.97	177.30
21 Income Taxes - Operating Taxes	58.89	48.68	50.61	91.23	75.21
22 Other Taxes - Operating Taxes	32.45	26.36	38.52	39.76	46.47
23 Capital Costs	129.66	110.65	107.36	78.19	98.06
24 Total	716.80	697.30	694.24	711.24	714.19

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$8,337,016	\$7,424,235	\$6,778,074	\$6,313,065	\$5,862,315	1
Central Office Assets	25,433,697	23,721,402	22,123,512	18,974,979	16,603,916	2
Information Origination/Termination	1,465	326,372	1,157,739	1,107,935	1,267,644	3
Cable And Wire Facilities	29,352,685	28,300,231	26,958,145	26,145,192	25,274,158	4
Amortizable Assets					157,285	5
Total Plant In Service	63,124,863	59,772,240	57,017,470	52,541,171	49,165,318	6
Property Held For Future Use	24,714	218,428	218,428	218,428	218,428	7
Plant Under Construction	890,742	3,052,753	4,345,576	5,370,184	3,844,079	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	351,026	348,882	348,882	14,094	14,094	11
Goodwill						12
Total Telecommunications Plant	64,391,345	63,392,303	61,930,356	58,143,877	53,241,919	13
Less Acc. Prov. For Depreciation & Amort.	36,110,244	33,047,625	30,770,662	27,709,291	25,605,159	14
Net Total Utility Plant	\$28,281,101	\$30,344,678	\$31,159,694	\$30,434,587	\$27,636,760	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.26	1.42	1.20	0.92	1.34	16
Total Capitalization	\$30,004,094	\$33,751,560	\$33,797,754	\$30,847,070	\$27,717,918	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	14.8%	14.5%	15.7%	18.5%	21.9%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	83.7%	84.2%	83.1%	80.3%	76.7%	20
Short-Term Debt	1.6%	1.3%	1.1%	1.2%	1.5%	21
Pretax Coverage of Interest Expense	30.04	23.38	17.22	14.54	20.69	22
Com. Stock Dividends as a % of Earnings	133.8%	95.8%	46.7%	36.0%	117.0%	23
Return on Common Equity	36.7%	28.5%	23.5%	24.0%	46.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1482.8%	325.3%	182.6%	180.2%	353.4%	25
CWIP as a % of Plant	1.4%	4.8%	7.0%	9.2%	7.2%	26

Current Assets	8,666,779	9,708,554	6,155,417	9,432,589	4,779,816
Current Liabilities	6,892,071	6,830,953	5,132,578	10,264,749	3,569,201
Total Capitalization	30,004,094	33,751,560	33,797,754	30,847,070	27,717,918
Long-Term Debt	4,433,658	4,897,195	5,319,754	5,708,903	6,058,535
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	25,104,578	28,429,385	28,089,359	24,782,738	21,248,394
Short-Term Debt	465,858	424,980	388,641	355,429	410,989
Pretax Income	15,084,589	12,317,251	9,613,160	8,621,468	12,943,307
Interest Expense	502,102	526,839	558,383	592,933	625,695
Common Dividends Paid	13,159,000	7,711,000	2,893,000	1,991,000	12,070,000
Net Income (Excl. Preferred Stock Dividends)	9,834,194	8,051,025	6,199,623	5,525,344	10,317,076
Internal Cash	13,595,789	9,860,815	7,284,449	10,473,878	16,413,193
Cash Outflows for Construction	(916,916)	(3,030,982)	(3,989,229)	(5,812,236)	(4,643,841)
CWIP	890,742	3,052,753	4,345,576	5,370,184	3,844,079
Total Plant	64,391,345	63,392,303	61,930,356	58,143,877	53,241,919
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	79	77	89	82	86

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$248,320	\$139,956	\$170,653	\$269,569	\$25,021	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	607,086	564,004	1,002,188	931,498	857,154	2
Changes in Deferred Income Taxes	139,092	64,044	(43,912)	9,961	(162,127)	3
Changes in Working Capital	(26,913)	210,905	247,076	(456,665)	1,577,760	4
Capitalized AFDC - Equity	0			(8)	(1,914)	5
Other	204,289	(23,204)	1,476	747,032	99,824	6
Total Non-Cash Items	923,554	815,749	1,206,828	1,231,818	2,370,697	7
Net Cash Provided From Operating Activities	<u>1,171,874</u>	<u>955,705</u>	<u>1,377,481</u>	<u>1,501,387</u>	<u>2,395,718</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,149,296)	(1,138,796)	(999,593)	(819,318)	(984,393)	9
Purchase of Other Investments	0					10
Sale of Other Investments	4,499	(15,942)	38,277	(953)	(4,161)	11
Other						12
Net Cash Provided From Investing Activities	<u>(1,144,797)</u>	<u>(1,154,738)</u>	<u>(961,316)</u>	<u>(820,271)</u>	<u>(988,554)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(201,820)	(192,510)	(183,667)	(175,157)	(196,051)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt				(349,000)	(826,000)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(201,820)</u>	<u>(192,510)</u>	<u>(183,667)</u>	<u>(524,157)</u>	<u>(1,022,051)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(174,743)	(391,543)	232,498	156,959	385,113	21
Cash & Equivalents at Beginning of Year	740,820	1,132,363	899,865	742,906	357,793	22
Cash & Equivalents at End of Year	\$566,077	\$740,820	\$1,132,363	\$899,865	\$742,906	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$3,973,304	\$3,435,226	\$4,129,343	\$3,876,111	\$3,363,231
2 Access Lines	5,984	6,029	6,175	4,435	4,477

DOLLAR AMOUNTS

3 Wages and Benefits	632,203	583,127	\$637,199	\$670,526	\$722,001
4 Depreciation and Amortization	607,086	564,005	1,002,188	931,498	855,846
5 Other Operations Expense	1,991,886	1,692,272	1,807,211	1,442,510	1,290,516
6 Total Operation Expenses	3,231,175	2,839,404	3,446,598	3,044,535	2,868,363
7 Income Taxes - Operating Taxes	91,038	76,535	73,592	130,796	(31,376)
8 Other Taxes - Operating Taxes	199,756	196,417	198,870	210,456	225,965
9 Capital Costs	451,335	322,870	410,283	490,325	300,279
10 Total	\$3,973,304	\$3,435,226	\$4,129,343	\$3,876,111	\$3,363,231

PERCENT OF REVENUES

11 Wages and Benefits	15.9	17.0	15.4	17.3	21.5
12 Depreciation and Amortization	15.3	16.4	24.3	24.0	25.4
13 Other Operations Expense	50.1	49.3	43.8	37.2	38.4
14 Income Taxes - Operating Taxes	2.3	2.2	1.8	3.4	(0.9)
15 Other Taxes - Operating Taxes	5.0	5.7	4.8	5.4	6.7
16 Capital Costs	11.4	9.4	9.9	12.6	8.9
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	105.65	96.72	103.19	151.19	161.27
19 Depreciation and Amortization	101.45	93.55	162.30	210.03	191.17
20 Other Operations Expense	332.87	280.69	292.67	325.26	288.25
21 Income Taxes - Operating Taxes	15.21	12.69	11.92	29.49	(7.01)
22 Other Taxes - Operating Taxes	33.38	32.58	32.21	47.45	50.47
23 Capital Costs	75.42	53.55	66.44	110.56	67.07
24 Total	663.99	569.78	668.72	873.98	751.22

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$1,396,993	\$1,353,452	\$1,832,163	\$1,974,998	\$1,883,927	1
Central Office Assets	6,256,210	5,750,865	5,478,070	5,094,879	4,416,729	2
Information Origination/Termination	31,633	33,714	126,762	120,721	118,992	3
Cable And Wire Facilities	8,237,960	7,877,190	7,470,525	7,156,804	6,923,623	4
Amortizable Assets	295,462	537,208				5
Total Plant In Service	16,218,258	15,552,428	14,907,520	14,347,402	13,343,271	6
Property Held For Future Use						7
Plant Under Construction	285,175	342,329	133,669	127,267	76,772	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	16,508,882	15,900,206	15,046,638	14,480,117	13,425,492	13
Less Acc. Prov. For Depreciation & Amort.	7,360,861	7,301,074	7,039,997	6,477,280	5,312,565	14
Net Total Utility Plant	\$9,148,021	\$8,599,132	\$8,006,641	\$8,002,837	\$8,112,926	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.56	1.77	2.78	3.01	1.18	16
Total Capitalization	\$7,749,399	\$7,672,899	\$7,755,453	\$7,768,469	\$8,023,051	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	42.3%	45.4%	47.6%	50.0%	50.7%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	55.0%	51.9%	50.0%	47.7%	42.8%	20
Short-Term Debt	2.7%	2.6%	2.5%	2.4%	6.5%	21
Pretax Coverage of Interest Expense	2.61	1.80	2.01	2.91	1.08	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	6.0%	2.8%	4.5%	7.6%	0.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	102.0%	81.3%	137.8%	183.2%	243.4%	25
CWIP as a % of Plant	1.7%	2.2%	0.9%	0.9%	0.6%	26

Current Assets	1,322,723	1,538,725	1,960,551	1,904,339	1,583,286
Current Liabilities	845,257	871,367	705,579	633,355	1,337,715
Total Capitalization	7,749,399	7,672,899	7,755,453	7,768,469	8,023,051
Long-Term Debt	3,274,746	3,486,359	3,688,204	3,880,751	4,064,345
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,262,153	3,983,833	3,873,877	3,703,225	3,433,656
Short-Term Debt	212,500	202,707	193,372	184,493	525,050
Pretax Income	563,527	430,130	499,466	636,472	305,319
Interest Expense	216,273	238,709	248,003	218,990	283,283
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	248,320	109,956	170,653	269,569	25,021
Internal Cash	1,171,874	925,705	1,377,481	1,501,387	2,395,718
Cash Outflows for Construction	(1,149,296)	(1,138,796)	(999,593)	(819,318)	(984,393)
CWIP	285,175	342,329	133,669	127,267	76,772
Total Plant	16,508,882	15,900,206	15,046,638	14,480,117	13,425,492
Shares Outstanding	100	100	100	484	484
Number of Employees	12	13	16	17	17

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	(\$1,169,627)	\$1,257,197	\$436,850	\$627,011	\$766,021	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,052,491	1,198,817	1,134,405	985,715	935,690	2
Changes in Deferred Income Taxes	26,803	77,988	(27,226)	(340,739)	(85,140)	3
Changes in Working Capital	779,942	(103,032)	139,113	124,482	51,486	4
Capitalized AFDC - Equity			(55,913)	(38,440)	(10,734)	5
Other	1,634,440	(1,250,361)	208,940	263,824	144,385	6
Total Non-Cash Items	3,493,676	(76,588)	1,399,319	994,842	1,035,687	7
Net Cash Provided From Operating Activities	<u>2,324,049</u>	<u>1,180,609</u>	<u>1,836,169</u>	<u>1,621,853</u>	<u>1,801,708</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(2,248,785)	(1,655,472)	(2,116,817)	(1,317,962)	(996,545)	9
Purchase of Other Investments		377,656			(287,000)	10
Sale of Other Investments	(12,179)	(564,337)				11
Other						12
Net Cash Provided From Investing Activities	<u>(2,260,964)</u>	<u>(1,842,153)</u>	<u>(2,116,817)</u>	<u>(1,317,962)</u>	<u>(1,283,545)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	485,684	935,715	(465,369)	(634,285)	(634,285)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	56,315	(734,325)	802,287	33,307		17
Dividends Paid	(68,841)	(68,514)	(53,915)	(52,769)	(51,853)	18
Other Financing	(136,073)	(135,348)	(2,269,573)	164,368	195,540	19
	399,124					
Net Cash Provided From Financing Activities	<u>736,209</u>	<u>(2,472)</u>	<u>(1,986,570)</u>	<u>(489,379)</u>	<u>(490,598)</u>	20
Net Increase (Decrease) in Cash & Equivalents	799,294	(664,016)	(2,267,218)	(185,488)	27,565	21
Cash & Equivalents at Beginning of Year	1,527,623	2,191,640	4,458,857	4,644,345	4,616,780	22
Cash & Equivalents at End of Year	\$2,326,917	\$1,527,623	\$2,191,640	\$4,458,857	\$4,644,345	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$5,500,518	\$5,163,158	\$5,061,635	\$5,108,000	\$4,682,727
2 Access Lines	7,243	7,390	7,475	7,445	7,251

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,778,830	\$1,790,263	\$1,775,338	\$1,861,642	\$1,437,276
4 Depreciation and Amortization	1,049,508	1,198,817	1,134,405	985,715	935,690
5 Other Operations Expense	1,930,948	1,810,114	1,560,016	1,476,809	1,472,906
6 Total Operation Expenses	4,759,286	4,799,194	4,469,759	4,324,166	3,845,872
7 Income Taxes - Operating Taxes	85,919	(54,852)	6,783	79,384	4,081
8 Other Taxes - Operating Taxes	337,677	285,353	264,654	259,748	264,382
9 Capital Costs	317,636	133,463	320,439	444,702	568,392
10 Total	\$5,500,518	\$5,163,158	\$5,061,635	\$5,108,000	\$4,682,727

PERCENT OF REVENUES

11 Wages and Benefits	32.3	34.7	35.1	36.4	30.7
12 Depreciation and Amortization	19.1	23.2	22.4	19.3	20.0
13 Other Operations Expense	35.1	35.1	30.8	28.9	31.5
14 Income Taxes - Operating Taxes	1.6	(1.1)	0.1	1.6	0.1
15 Other Taxes - Operating Taxes	6.1	5.5	5.2	5.1	5.6
16 Capital Costs	5.8	2.6	6.3	8.7	12.1
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	245.59	242.25	237.50	250.05	198.22
19 Depreciation and Amortization	144.90	162.22	151.76	132.40	129.04
20 Other Operations Expense	266.60	244.94	208.70	198.36	203.13
21 Income Taxes - Operating Taxes	11.86	(7.42)	0.91	10.66	0.56
22 Other Taxes - Operating Taxes	46.62	38.61	35.41	34.89	36.46
23 Capital Costs	43.85	18.06	42.87	59.73	78.39
24 Total	759.43	698.67	677.14	686.10	645.80

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$1,882,286	\$1,879,692	\$1,955,075	\$1,812,033	\$1,807,898	1
Central Office Assets	7,998,307	7,310,635	7,222,380	6,476,083	6,102,594	2
Information Origination/Termination	136,838	129,209	126,299	110,296	341,115	3
Cable And Wire Facilities	9,894,076	8,775,590	8,543,887	7,546,585	7,039,937	4
Amortizable Assets						5
Total Plant In Service	19,911,507	18,095,126	17,847,641	15,944,997	15,291,544	6
Property Held For Future Use						7
Plant Under Construction	1,091,178	699,783	239,869	450,919	335,734	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	21,002,685	18,794,909	18,087,510	16,395,916	15,627,278	13
Less Acc. Prov. For Depreciation & Amort.	9,717,699	8,869,357	8,618,614	7,972,431	7,608,541	14
Net Total Utility Plant	\$11,284,986	\$9,925,551	\$9,468,896	\$8,423,485	\$8,018,737	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.43	1.71	1.27	2.87	3.40	16
Total Capitalization	\$14,797,045	\$13,630,467	\$13,807,195	\$13,261,109	\$13,394,111	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	16.9%	11.9%	4.7%	9.1%	13.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	79.7%	81.9%	83.6%	84.2%	79.8%	20
Short-Term Debt	3.4%	6.2%	11.8%	6.7%	6.4%	21
Pretax Coverage of Interest Expense	-8.67	7.74	4.11	5.22	4.60	22
Com. Stock Dividends as a % of Earnings	-5.9%	5.4%	12.3%	8.4%	6.8%	23
Return on Common Equity	-10.2%	11.1%	3.8%	5.7%	7.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	103.3%	71.3%	86.7%	123.1%	180.8%	25
CWIP as a % of Plant	5.2%	3.7%	1.3%	2.8%	2.1%	26

Current Assets	3,045,147	3,290,267	3,731,742	6,050,819	6,093,853
Current Liabilities	2,122,162	1,929,280	2,931,353	2,111,294	1,793,978
Total Capitalization	14,797,045	13,630,467	13,807,195	13,261,109	13,394,111
Long-Term Debt	2,500,000	1,628,572	642,857	1,207,143	1,841,429
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,786,592	11,162,013	11,540,131	11,162,046	10,694,069
Short-Term Debt	510,453	839,882	1,624,207	891,920	858,613
Pretax Income	(973,914)	1,247,832	708,082	1,095,304	1,296,925
Interest Expense	112,269	161,286	172,254	209,761	282,230
Common Dividends Paid	68,841	68,514	53,915	52,769	51,853
Net Income (Excl. Preferred Stock Dividends)	(1,169,627)	1,257,197	436,850	627,011	766,021
Internal Cash	2,324,049	1,180,609	1,836,169	1,621,853	1,801,708
Cash Outflows for Construction	(2,248,785)	(1,655,472)	(2,116,817)	(1,317,962)	(996,545)
CWIP	1,091,178	699,783	239,869	450,919	335,734
Total Plant	21,002,685	18,794,909	18,087,510	16,395,916	15,627,278
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	20	20	22	21	22

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$96,370	\$83,128	\$63,980	(\$55,007)	(\$78,655)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	506,454	492,193	546,663	513,603	502,239	2
Changes in Deferred Income Taxes	66,989	13,677	78,384	40,848	120,026	3
Changes in Working Capital	(127,130)	263,565	(262,351)	134,392	4,675	4
Capitalized AFDC - Equity	0			(2,733)		5
Other	32,137	(28,583)	1,579	12,093	(28,418)	6
Total Non-Cash Items	478,450	740,852	364,275	698,203	598,522	7
Net Cash Provided From Operating Activities	<u>574,820</u>	<u>823,980</u>	<u>428,255</u>	<u>643,196</u>	<u>519,867</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(325,865)	(228,978)	(285,070)	(549,473)	(292,622)	9
Purchase of Other Investments	0					10
Sale of Other Investments	0					11
Other	20,729					12
Net Cash Provided From Investing Activities	<u>(305,136)</u>	<u>(228,978)</u>	<u>(285,070)</u>	<u>(549,473)</u>	<u>(292,622)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt		(305,000)	(1,220,000)	(255,000)	(50,000)	17
Dividends Paid						18
Other Financing			1,000,000			19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(305,000)</u>	<u>(220,000)</u>	<u>(255,000)</u>	<u>(50,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	269,684	290,002	(76,816)	(161,277)	177,245	21
Cash & Equivalents at Beginning of Year	491,020	201,018	277,834	439,111	261,866	22
Cash & Equivalents at End of Year	\$760,704	\$491,020	\$201,018	\$277,834	\$439,111	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$2,372,687	\$2,274,991	\$2,429,833	\$2,377,325	\$2,357,143
2 Access Lines	2,864	2,869	2,882	2,875	2,830
DOLLAR AMOUNTS					
3 Wages and Benefits	\$500,832	\$517,990	\$410,548	\$346,306	\$397,940
4 Depreciation and Amortization	506,455	492,193	546,663	513,603	502,239
5 Other Operations Expense	966,329	857,551	946,556	1,063,153	1,082,631
6 Total Operation Expenses	1,973,616	1,867,734	1,903,767	1,923,062	1,982,810
7 Income Taxes - Operating Taxes	48,965	51,299	28,465	(39,374)	(16,255)
8 Other Taxes - Operating Taxes	127,964	121,466	117,456	119,723	121,953
9 Capital Costs	222,142	234,492	380,145	373,914	268,635
10 Total	\$2,372,687	\$2,274,991	\$2,429,833	\$2,377,325	\$2,357,143
PERCENT OF REVENUES					
11 Wages and Benefits	21.1	22.8	16.9	14.6	16.9
12 Depreciation and Amortization	21.3	21.6	22.5	21.6	21.3
13 Other Operations Expense	40.7	37.7	39.0	44.7	45.9
14 Income Taxes - Operating Taxes	2.1	2.3	1.2	(1.7)	(0.7)
15 Other Taxes - Operating Taxes	5.4	5.3	4.8	5.0	5.2
16 Capital Costs	9.4	10.3	15.6	15.7	11.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	174.87	180.55	142.45	120.45	140.61
19 Depreciation and Amortization	176.83	171.56	189.68	178.64	177.47
20 Other Operations Expense	337.41	298.90	328.44	369.79	382.56
21 Income Taxes - Operating Taxes	17.10	17.88	9.88	(13.70)	(5.74)
22 Other Taxes - Operating Taxes	44.68	42.34	40.76	41.64	43.09
23 Capital Costs	77.56	81.73	131.90	130.06	94.92
24 Total	828.45	792.96	843.11	826.90	832.91

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$998,401	\$993,944	\$1,372,717	\$1,353,995	\$1,343,131	1
Central Office Assets	2,463,496	2,422,539	2,397,692	2,312,920	1,996,841	2
Information Origination/Termination	15,099	15,062	15,948	14,730	22,164	3
Cable And Wire Facilities	3,898,812	3,747,823	3,622,147	3,526,186	3,356,032	4
Amortizable Assets	1,998,827	2,450,579	2,052,704	2,052,704	2,052,704	5
Total Plant In Service	9,374,635	9,629,947	9,461,208	9,260,535	8,770,872	6
Property Held For Future Use						7
Plant Under Construction	78,743	3,112	5,177	2,879	19,474	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,453,378	9,633,059	9,466,385	9,263,414	8,790,346	13
Less Acc. Prov. For Depreciation & Amort.	3,491,201	3,519,207	3,089,343	2,629,845	2,195,380	14
Net Total Utility Plant	\$5,962,177	\$6,113,853	\$6,377,042	\$6,633,569	\$6,594,966	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.42	0.32	0.27	0.19	0.23	16
Total Capitalization	\$6,201,730	\$6,105,360	\$6,327,232	\$6,483,252	\$6,793,259	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	53.7%	52.9%	49.8%	32.2%	31.5%	20
Short-Term Debt	46.3%	47.1%	50.2%	67.8%	68.5%	21
Pretax Coverage of Interest Expense	2.11	1.88	1.30	0.81	0.70	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	2.9%	2.6%	2.4%	-2.6%	-3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	176.4%	359.9%	150.2%	117.1%	177.7%	25
CWIP as a % of Plant	0.8%	0.0%	0.1%	0.0%	0.2%	26

Current Assets	1,334,060	1,017,986	939,017	946,792	1,159,771
Current Liabilities	3,178,283	3,195,642	3,450,991	4,873,398	5,038,694
Total Capitalization	6,201,730	6,105,360	6,327,232	6,483,252	6,793,259
Long-Term Debt	0	0	0	0	0
Preferred Stock	0	0	0	0	0
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,328,668	3,232,298	3,149,170	2,085,190	2,140,197
Short-Term Debt	2,873,062	2,873,062	3,178,062	4,398,062	4,653,062
Pretax Income	283,737	291,358	421,599	359,276	279,022
Interest Expense	134,615	155,040	325,501	445,746	401,133
Common Dividends Paid	0	0	0	0	0
Net Income (Excl. Preferred Stock Dividends)	96,370	83,128	63,980	(55,007)	(78,655)
Internal Cash	574,820	823,980	428,255	643,196	519,867
Cash Outflows for Construction	(325,865)	(228,978)	(285,070)	(549,473)	(292,622)
CWIP	78,743	3,112	5,177	2,879	19,474
Total Plant	9,453,378	9,633,059	9,466,385	9,263,414	8,790,346
Shares Outstanding	100	100	100	100	1,000
Number of Employees	8	9	9	9	9

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

	2003	2002	2001	2000	1999	
Cash Flows from Operating Activities						
Net Income	\$7,879,101	\$8,296,816	\$7,572,357	\$7,017,501	\$5,581,617	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,743,825	3,219,250	2,973,214	2,573,187	2,706,885	2
Changes in Deferred Income Taxes	3,626,460	2,498,738	295,747	310,711	201,601	3
Changes in Working Capital	(2,266,184)	(43,788)	(159,466)	(159,308)	904,161	4
Capitalized AFDC - Equity	(41,707)	(237,823)	(283,315)	(84,746)	(143,480)	5
Other	(9,598,990)	(9,005,340)	(5,687,744)	(4,471,508)	(3,387,965)	6
Total Non-Cash Items	(4,536,596)	(3,568,963)	(2,861,564)	(1,831,664)	281,202	7
Net Cash Provided From Operating Activities	<u>3,342,505</u>	<u>4,727,853</u>	<u>4,710,793</u>	<u>5,185,837</u>	<u>5,862,819</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(4,278,983)	(4,457,010)	(8,068,169)	(3,524,566)	(5,276,657)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	9,384,480	4,893,540	4,988,942	588,890	1,524,652	12
Net Cash Provided From Investing Activities	<u>5,105,497</u>	<u>436,530</u>	<u>(3,079,227)</u>	<u>(2,935,676)</u>	<u>(3,752,005)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	3,149,073	20,612	20,612			14
Common Stock	51,535			(3,000,000)	36,746	15
Preferred Stock	(25,000)	1,300,000	1,300,000	82,858		16
Short-Term Debt	(5,000,000)	(3,090,913)	(3,090,913)		500,000	17
Dividends Paid	(3,780,536)	(3,305,991)		4,050,000	(2,460,572)	18
Other Financing	(496,164)			(2,831,623)		19
				(604,510)		
Net Cash Provided From Financing Activities	<u>(6,101,092)</u>	<u>(5,076,292)</u>	<u>(1,770,301)</u>	<u>(2,303,275)</u>	<u>(1,923,826)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,346,910	88,091	(138,735)	(53,114)	186,988	21
Cash & Equivalents at Beginning of Year	510,090	421,999	560,734	613,848	426,860	22
Cash & Equivalents at End of Year	\$2,857,000	\$510,090	\$421,999	\$560,734	\$613,848	23

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

	2003	2002	2001	2000	1999
1 Revenues	\$22,001,528	\$21,353,080	\$20,731,210	\$19,640,409	\$17,204,609
2 Access Lines	29,602	30,261	30,312	29,494	28,285
DOLLAR AMOUNTS					
3 Wages and Benefits	\$8,122,556	\$7,476,474	\$7,720,519	\$7,163,262	\$6,507,014
4 Depreciation and Amortization	3,727,957	3,213,967	2,967,931	2,565,443	2,694,218
5 Other Operations Expense	5,428,807	4,952,835	3,993,094	3,572,982	2,897,459
6 Total Operation Expenses	17,279,321	15,643,276	14,681,543	13,301,687	12,098,691
8 Income Taxes - Operating Taxes	1,077,639	1,305,127	1,432,508	1,436,795	845,855
9 Other Taxes - Operating Taxes	1,387,512	1,304,055	1,270,210	1,220,293	1,153,282
10 Capital Costs	2,257,056	3,100,622	3,346,949	3,681,634	3,106,781
11 Total	\$22,001,528	\$21,353,080	\$20,731,210	\$19,640,409	\$17,204,609
PERCENT OF REVENUES					
12 Wages and Benefits	36.9	35.0	37.2	36.5	37.8
13 Depreciation and Amortization	16.9	15.1	14.3	13.1	15.7
14 Other Operations Expense	24.7	23.2	19.3	18.2	16.8
16 Income Taxes - Operating Taxes	4.9	6.1	6.9	7.3	4.9
17 Other Taxes - Operating Taxes	6.3	6.1	6.1	6.2	6.7
18 Capital Costs	10.3	14.5	16.1	18.7	18.1
19 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
20 Wages and Benefits	274.39	247.07	254.70	242.87	230.05
21 Depreciation and Amortization	125.94	106.21	97.91	86.98	95.25
22 Other Operations Expense	183.39	163.67	131.73	121.14	102.44
24 Income Taxes - Operating Taxes	36.40	43.13	47.26	48.71	29.90
25 Other Taxes - Operating Taxes	46.87	43.09	41.90	41.37	40.77
26 Capital Costs	76.25	102.46	110.42	124.83	109.84
27 Total	743.24	705.63	683.93	665.91	608.26

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

	2003	2002	2001	2000	1999	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$7,517,487	\$7,714,256	\$7,166,334	\$6,174,971	\$5,514,364	1
Central Office Assets	25,524,629	24,384,243	22,946,674	20,521,854	19,391,016	2
Information Origination/Termination	1,748,998	1,717,310	1,710,106	1,513,331	1,318,297	3
Cable And Wire Facilities	23,746,836	21,670,712	19,372,995	17,222,692	15,909,015	4
Amortizable Assets						5
Total Plant In Service	58,537,951	55,486,520	51,196,110	45,432,848	42,132,692	6
Property Held For Future Use						7
Plant Under Construction	1,261,750	1,780,215	4,176,715	1,876,360	1,718,296	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	59,799,701	57,266,735	55,372,825	47,309,208	43,850,988	13
Less Acc. Prov. For Depreciation & Amort.	25,279,795	23,213,563	22,800,517	20,120,454	17,706,103	14
Net Total Utility Plant	\$34,519,907	\$34,053,172	\$32,572,307	\$27,188,754	\$26,144,885	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.19	0.61	0.65	0.74	0.82	16
Total Capitalization	\$45,488,340	\$44,366,508	\$41,145,989	\$35,343,933	\$30,629,709	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	15.7%		9.7%	11.3%	13.1%	18
Preferred Stock	1.1%	1.1%	1.2%	1.4%	1.6%	19
Common Stock & Retained Earnings	83.2%	78.6%	73.9%	73.3%	72.6%	20
Short-Term Debt		20.3%	15.2%	14.0%	12.7%	21
Pretax Coverage of Interest Expense	27.67	22.44	17.30	16.46	12.57	22
Com. Stock Dividends as a % of Earnings	48.1%	38.6%	40.6%	40.1%	43.8%	23
Return on Common Equity	21.6%	25.3%	26.8%	29.1%	26.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	78.1%	106.1%	58.4%	147.1%	111.1%	25
CWIP as a % of Plant	2.1%	3.1%	7.5%	4.0%	3.9%	26

Current Assets	14,670,641	9,327,832	6,364,504	6,275,221	5,661,421
Current Liabilities	6,687,183	15,364,899	9,746,657	8,452,102	6,896,273
Total Capitalization	45,488,340	44,366,508	41,145,989	35,343,933	30,629,709
Long-Term Debt	7,149,073		4,000,000	4,000,000	4,000,000
Preferred Stock	500,000	500,000	500,000	500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	37,839,267	34,866,508	30,395,989	25,893,933	22,229,709
Short-Term Debt		9,000,000	6,250,000	4,950,000	3,900,000
Pretax Income	12,256,855	12,718,501	11,355,614	10,200,158	7,847,950
Interest Expense	442,956	566,862	656,434	619,871	624,124
Common Dividends Paid	3,780,536	3,190,637	3,065,913	2,806,623	2,435,572
Net Income (Excl. Preferred Stock Dividends)	7,854,101	8,271,816	7,547,357	6,992,501	5,556,617
Internal Cash	3,342,505	4,727,853	4,710,793	5,185,837	5,862,819
Cash Outflows for Construction	(4,278,983)	(4,457,010)	(8,068,169)	(3,524,566)	(5,276,657)
CWIP	1,261,750	1,780,215	4,176,715	1,876,360	1,718,296
Total Plant	59,799,701	57,266,735	55,372,825	47,309,208	43,850,988
Shares Outstanding	5,984,883	1,799,709	1,803,583	1,803,096	1,818,110
Number of Employees	116	119	132	131	133