

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$757,556	(\$1,709,771)	(\$1,589,252)	(\$1,410,130)	(\$472,860)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,141,433	1,298,380	1,366,019	1,368,157	1,382,532	2
Changes in Deferred Income Taxes	1,216,280	(401,205)	(373,433)	95,139	139,996	3
Changes in Working Capital	445,570	(27,136)	(190,921)	5,696	(156,947)	4
Capitalized AFDC - Equity	(86)	(74)	(39)	(13)	(15)	5
Other	(2,455,137)	763,601	1,339,989	1,459,585	202,478	6
Total Non-Cash Items	348,060	1,633,566	2,141,615	2,928,564	1,568,043	7
Net Cash Provided From Operating Activities	<u>1,105,617</u>	<u>(76,205)</u>	<u>552,364</u>	<u>1,518,434</u>	<u>1,095,183</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,164,744)	(1,188,283)	(1,189,477)	(1,266,733)	(1,359,375)	9
Purchase of Other Investments	213,495	(422,695)	193,309	44,144	(26,941)	10
Sale of Other Investments	408,813	15,018	38,523	71,660	56,778	11
Other	(27,039)	1,646	(2,361)	(7,096)	(74,758)	12
Net Cash Provided From Investing Activities	<u>(569,475)</u>	<u>(1,594,313)</u>	<u>(960,007)</u>	<u>(1,158,024)</u>	<u>(1,404,298)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(652,736)	(3,691)	(1,004,379)	(402,646)	(4,038)	14
Common Stock		(447)	(4,549)	(929)	(531)	15
Preferred Stock	(3)	(5)	(0)	(1)	(610)	16
Short-Term Debt	173,216	1,691,243	1,824,299	318,052	451,783	17
Dividends Paid	(29,588)	(9,366)	(408,585)	(261,751)	(145,431)	18
Other Financing	1,583	(4,353)	(2,515)	(7,583)	7,927	19
					(972)	
Net Cash Provided From Financing Activities	<u>(507,528)</u>	<u>1,673,381</u>	<u>404,271</u>	<u>(354,858)</u>	<u>308,128</u>	20
Net Increase (Decrease) in Cash & Equivalents	28,613	2,863	(3,372)	5,553	(986)	21
Cash & Equivalents at Beginning of Year	64,956	62,093	65,465	59,912	61,157	22
Cash & Equivalents at End of Year	\$93,570	\$64,956	\$62,093	\$65,465	\$60,171	23

Table 5 T

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,697,585	\$5,676,392	\$5,691,859	\$5,688,834	\$5,932,296
2 Access Lines	3,614,953	4,134,840	4,770,476	5,358,510	6,025,573
DOLLAR AMOUNTS					
3 Wages and Benefits	\$802,961	\$4,347,403	\$4,222,441	\$4,095,046	\$3,058,238
4 Depreciation and Amortization	1,154,146	1,314,303	1,365,793	1,371,267	1,386,223
5 Other Operations Expense	2,322,239	2,499,873	2,351,414	2,322,348	2,378,785
6 Total Operation Expenses	4,279,347	8,161,590	7,938,089	7,788,662	6,823,246
7 Income Taxes - Operating Taxes	194,940	(1,202,578)	(1,055,669)	(964,613)	(629,919)
8 Other Taxes - Operating Taxes	494,166	452,565	502,662	465,409	501,179
9 Capital Costs	729,133	(1,735,185)	(1,693,224)	(1,600,624)	(762,209)
10 Total	\$5,697,585	\$5,676,392	\$5,691,859	\$5,688,834	\$5,932,296
PERCENT OF REVENUES					
11 Wages and Benefits	14.1	76.6	74.2	72.0	51.6
12 Depreciation and Amortization	20.3	23.2	24.0	24.1	23.4
13 Other Operations Expense	40.8	44.0	41.3	40.8	40.1
14 Income Taxes - Operating Taxes	3.4	(21.2)	(18.5)	(17.0)	(10.6)
15 Other Taxes - Operating Taxes	8.7	8.0	8.8	8.2	8.4
16 Capital Costs	12.8	(30.6)	(29.7)	(28.1)	(12.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	222.12	1,051.41	885.12	764.21	507.54
19 Depreciation and Amortization	319.27	317.86	286.30	255.90	230.06
20 Other Operations Expense	642.40	604.59	492.91	433.39	394.78
21 Income Taxes - Operating Taxes	53.93	(290.84)	(221.29)	(180.02)	(104.54)
22 Other Taxes - Operating Taxes	136.70	109.45	105.37	86.85	83.18
23 Capital Costs	201.70	(419.65)	(354.94)	(298.71)	(126.50)
24 Total	1,576.12	1,372.82	1,193.47	1,061.64	984.52

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,443,623.07	\$3,623,716.92	\$3,649,783.59	\$3,699,623.42	\$3,793,073.72	1
Central Office Assets	11,214,437	10,935,560	10,720,065	12,759,857	13,075,934	2
Information Origination/Termination	233,487	234,586	230,931	299,013	366,947	3
Cable And Wire Facilities	15,237,583	14,777,323	17,578,962	15,912,667	17,052,905	4
Amortizable Assets	1,008,396	955,631	924,275	301,178	329,084	5
Total Plant In Service	31,137,527	30,526,818	33,104,017	32,972,339	34,617,944	6
Property Held For Future Use			11	11	11	7
Plant Under Construction	451,534	296,320	334,620	303,328	242,256	8
Tel. Acquisition	142,620	142,620	142,620	142,620	142,895	9
Other Plant	(0)	(0)	(0)			10
Nonoperating Plant	1,074	3,319	10,039	16,007	13,806	11
Goodwill	4,493	4,493	4,493	4,493	1,710	12
Total Telecommunications Plant	31,737,248	30,973,570	33,595,799	33,438,798	35,018,621	13
Less Acc. Prov. For Depreciation & Amort.	20,494,613	19,680,071	22,095,151	21,903,048	23,483,253	14
Net Total Utility Plant	\$11,242,635	\$11,293,499	\$11,500,649	\$11,535,750	\$11,535,368	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.17	0.16	0.21	0.26	0.28	16
Total Capitalization (\$000)	\$5,328,485	\$5,087,397	\$5,194,071	\$6,315,000	\$8,215,473	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	11.5%	20.9%	24.4%	35.9%	27.7%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	-48.8%	-65.3%	-29.4%	6.5%	27.1%	20
Short-Term Debt	137.3%	144.3%	105.0%	57.5%	45.2%	21
Pretax Coverage of Interest Expense	3.74	-7.76	-7.33	-5.65	-2.53	22
Com. Stock Dividends as a % of Earnings	3.9%	-0.3%	-25.6%	-18.6%	-31.8%	23
Return on Common Equity	-25.5%	70.6%	284.8%	-107.1%	-19.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	95.1%	-2.0%	50.7%	124.2%	84.5%	25
CWIP as a % of Plant	1.4%	1.0%	1.0%	0.9%	0.7%	26

Notes:

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

Current Assets	1,489,220,230	1,345,360,615	1,289,522,028	1,248,099,251	1,380,200,458
Current Liabilities	8,679,571,346	8,201,921,374	6,255,529,764	4,786,674,811	4,957,165,881
Total Capitalization	5,328,485,165	5,087,396,527	5,194,071,238	6,314,999,528	8,215,472,880
Long-Term Debt	611,235,966	1,063,612,842	1,266,266,286	2,269,733,180	2,277,240,295
Preferred Stock	415,500	418,500	923,500	923,700	925,100
Common Stock and Retained Earnings (Excl. Preferred Stock)	(2,599,730,255)	(3,320,081,152)	(1,527,400,531)	412,115,288	2,227,968,293
Short-Term Debt	7,316,563,954	7,343,446,337	5,454,281,983	3,632,227,360	3,709,339,193
Pretax Income	1,404,155,920	(2,593,901,032)	(2,315,435,406)	(1,996,464,495)	(773,641,885)
Interest Expense	375,429,566	334,127,763	315,790,404	353,178,729	305,571,573
Dividends Paid	29,594,773	5,002,647	406,825,183	263,347,671	151,650,438
Net Income (Excl. Preferred Stock Dividends)	755,760,453	(1,710,663,287)	(1,588,179,318)	(1,413,847,591)	(477,392,904)
Internal Cash	1,108,205,341	(23,432,496)	602,580,073	1,573,852,162	1,148,303,313
Cash Outflows for Construction	(1,164,743,932)	(1,188,283,073)	(1,189,476,976)	(1,266,732,641)	(1,359,375,481)
CWIP	451,533,656	296,320,081	333,184,848	303,328,348	242,255,667
Total Plant	31,737,248,221	30,973,427,881	33,595,654,285	33,438,797,619	35,018,620,799
Shares Outstanding	1,590,511	1,590,419	7,808,283	7,564,483	61,497,723
Number of Employees	16,454	16,931	17,788	18,044	21,357

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$44,234	\$53,013	\$48,839	\$74,039	\$118,314	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	120,963	125,964	152,514	150,190	153,532	2
Changes in Deferred Income Taxes	26,205	2,567	3,126	3,614	14,814	3
Changes in Working Capital	(338,237)	290,534	44,806	63,820	(48,227)	4
Capitalized AFDC - Equity	(86)	(74)	(39)	(13)	(15)	5
Other	6,769	(4,893)	1,216	(12,177)	(17,461)	6
Total Non-Cash Items	(184,386)	414,098	201,623	205,434	102,643	7
Net Cash Provided From Operating Activities	<u>(140,152)</u>	<u>467,111</u>	<u>250,462</u>	<u>279,474</u>	<u>220,957</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(43,004)	(47,676)	(52,065)	(62,898)	(54,817)	10
Purchase of Other Investments	213,495	(422,695)	193,309	44,388	(24,064)	11
Sale of Other Investments	8,045	5,322	6,820	7,011	3,140	12
Other	177	11,953	4,636	3,704	4,415	13
Net Cash Provided From Investing Activities	<u>178,713</u>	<u>(453,096)</u>	<u>152,699</u>	<u>(7,795)</u>	<u>(71,328)</u>	
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(4,592)	(3,691)	(4,379)	(2,646)	(4,038)	14
Common Stock		(447)	(4,549)	(929)	(531)	15
Preferred Stock	(3)	(5)		(1)	(610)	16
Short-Term Debt	(1,054)	(4,134)	5,614	(133)	92	17
Dividends Paid	(29,588)	(9,366)	(408,585)	(261,751)	(145,431)	18
Other Financing	561	(648)	100	(667)	875	19
Net Cash Provided From Financing Activities	<u>(34,676)</u>	<u>(18,291)</u>	<u>(411,798)</u>	<u>(266,126)</u>	<u>(149,644)</u>	20
Net Increase (Decrease) in Cash & Equivalents	3,885	(4,276)	(8,637)	5,553	(14)	21
Cash & Equivalents at Beginning of Year	52,553	56,828	65,465	59,912	59,927	22
Cash & Equivalents at End of Year	\$56,437	\$52,553	\$56,828	\$65,465	\$59,912	23

Table 5 WT

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

	2013	2012	2011	2010	2009
1 Revenues	\$587,993	\$637,383	\$670,027	\$706,489	\$756,339
2 Access Lines	559,088	601,815	653,852	692,629	748,301
DOLLAR AMOUNTS					
3 Wages and Benefits	\$102,752	\$116,755	\$119,908	\$119,259	\$121,946
4 Depreciation and Amortization	133,677	141,886	152,287	153,300	157,223
5 Other Operations Expense	228,289	246,335	278,317	276,326	251,542
6 Total Operation Expenses	464,718	504,987	548,954	548,886	530,711
7 Income Taxes - Operating Taxes	6,754	13,293	11,504	22,213	47,461
8 Other Taxes - Operating Taxes	44,202	43,462	39,289	45,332	50,487
9 Capital Costs	72,320	75,640	70,280	90,059	127,680
10 Total	\$587,993	\$637,383	\$670,027	\$706,489	\$756,339
PERCENT OF REVENUES					
11 Wages and Benefits	17.5	18.3	17.9	16.9	16.1
12 Depreciation and Amortization	22.7	22.3	22.7	21.7	20.8
13 Other Operations Expense	38.8	38.6	41.5	39.1	33.3
14 Income Taxes - Operating Taxes	1.1	2.1	1.7	3.1	6.3
15 Other Taxes - Operating Taxes	7.5	6.8	5.9	6.4	6.7
16 Capital Costs	12.3	11.9	10.5	12.7	16.9
17 Total	100.0	100.0	100.2	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	183.79	194.00	183.39	172.18	162.96
19 Depreciation and Amortization	239.10	235.76	232.91	221.33	210.11
20 Other Operations Expense	408.32	409.32	425.66	398.95	336.15
21 Income Taxes - Operating Taxes	12.08	22.09	17.59	32.07	63.42
22 Other Taxes - Operating Taxes	79.06	72.22	60.09	65.45	67.47
23 Capital Costs	129.35	125.69	107.49	130.03	170.63
24 Total	1,051.70	1,059.08	1,027.12	1,020.01	1,010.74

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$322,109	\$331,190	\$338,118	\$336,736	\$335,388	1
Central Office Assets	1,523,183	1,503,473	1,484,406	1,461,746	1,441,905	2
Information Origination/Termination	42,267	42,412	41,816	41,261	40,120	3
Cable And Wire Facilities	1,777,581	1,759,471	1,737,652	1,715,612	1,693,959	4
Amortizable Assets	17,747	17,552	17,211	17,369	17,583	5
Total Plant In Service	3,682,887	3,654,099	3,619,203	3,572,724	3,528,955	6
Property Held For Future Use	(459)		11	11	11	7
Plant Under Construction	27,782	29,334	25,165	32,671	25,298	8
Tel. Acquisition	142,620	142,620	142,620	142,620	142,895	9
Other Plant	(0)					10
Nonoperating Plant	616	621	609	609	798	11
Goodwill	4,493	4,493	4,493	4,493	1,710	12
Total Telecommunications Plant	3,857,939	3,831,168	3,792,101	3,753,128	3,699,668	13
Less Acc. Prov. For Depreciation & Amort.		3,025,399	2,907,889	2,776,922	2,643,249	14
Net Total Utility Plant		805,768	884,213	976,206	1,056,418	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.59	0.59	1.23	1.61	2.12	16
Total Capitalization (\$000)	\$912,966	\$909,765	\$875,254	\$1,297,134	\$1,492,148	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	1.3%	1.5%	1.8%	1.5%	1.8%	18
Preferred Stock	0.0%	0.0%	0.1%	0.1%	0.1%	19
Common Stock & Retained Earnings	97.8%	97.4%	96.3%	97.5%	97.7%	20
Short-Term Debt	0.8%	1.0%	1.8%	0.9%	0.5%	21
Pretax Coverage of Interest Expense	5.41	6.66	6.74	9.80	17.50	22
Com. Stock Dividends as a % of Earnings	69.7%	9.6%	815.1%	374.5%	133.3%	23
Return on Common Equity	4.8%	6.0%	4.7%	5.2%	7.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-319.9%	1090.5%	577.5%	532.4%	500.0%	25
CWIP as a % of Plant	0.7%	0.8%	0.6%	0.9%	0.7%	26

Notes:

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

Current Assets	317,586,667	320,171,731	322,404,349	277,323,039	318,937,113
Current Liabilities	199,547,318	542,031,054	261,235,581	171,913,310	150,169,669
Total Capitalization	912,965,851	909,765,165	875,253,976	1,297,134,464	1,492,148,351
Long-Term Debt	12,025,952	13,726,801	15,552,505	18,997,500	26,137,678
Preferred Stock	415,500	418,500	923,500	923,700	925,100
Common Stock and Retained Earnings (Excl. Preferred Stock)	892,802,584	886,078,238	843,153,505	1,264,918,012	1,457,337,532
Short-Term Debt	7,721,815	9,541,626	15,624,466	12,295,252	7,748,042
Pretax Income	78,196,805	91,942,306	85,836,125	117,993,720	189,200,202
Interest Expense	14,455,616	13,803,449	12,731,338	12,035,593	10,813,122
Dividends Paid	29,594,773	5,002,647	406,825,183	263,347,671	151,650,438
Net Income (Excl. Preferred Stock Dividends)	42,437,590	52,120,644	49,911,473	70,321,259	113,781,786
Internal Cash	(137,563,270)	519,883,125	300,678,304	334,891,282	274,077,289
Cash Outflows for Construction	(43,004,082)	(47,675,929)	(52,064,721)	(62,897,593)	(54,817,494)
CWIP	27,781,615	29,334,328	23,730,174	32,670,556	25,298,370
Total Plant	3,858,397,298	3,831,025,659	3,791,956,310	3,753,127,938	3,699,667,489
Shares Outstanding	1,590,510	1,590,418	7,808,282	7,564,482	61,497,722
Number of Employees	1,371	1,491	1,565	1,647	1,684

Table 4

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$737,325	(\$1,727,367)	(\$1,605,867)	(\$1,437,813)	(\$507,173)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,104,498	1,259,595	1,322,733	1,326,501	1,337,827	2
Changes in Deferred Income Taxes	1,205,906	(398,450)	(371,237)	96,847	137,514	3
Changes in Working Capital	484,784	(63,085)	(197,140)	(4,970)	(143,051)	4
Capitalized AFDC - Equity						5
Other	(2,448,624)	773,716	1,347,322	1,479,919	227,204	6
Total Non-Cash Items	346,563	1,571,777	2,101,678	2,898,296	1,559,494	7
Net Cash Provided From Operating Activities	<u>1,083,888</u>	<u>(155,590)</u>	<u>495,811</u>	<u>1,460,484</u>	<u>1,052,320</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,140,581)	(1,163,435)	(1,166,069)	(1,239,120)	(1,340,633)	9
Purchase of Other Investments	205,583	(363,773)	192,143	71,701	2,532	10
Sale of Other Investments	400,768	9,696	31,928	65,081	53,638	11
Other	(27,216)	(10,307)	(15,954)	(18,525)	(86,310)	12
Net Cash Provided From Investing Activities	<u>(561,446)</u>	<u>(1,527,819)</u>	<u>(957,951)</u>	<u>(1,120,863)</u>	<u>(1,370,773)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(648,144)		(1,000,000)	(400,000)		14
Common Stock						15
Preferred Stock						16
Short-Term Debt	174,270	1,695,377	1,818,684	318,184	451,691	17
Dividends Paid	(25,000)		(350,000)	(250,000)	(140,000)	18
Other Financing	1,021	(3,705)	(2,615)	(6,916)	7,053	19
Net Cash Provided From Financing Activities	<u>(497,852)</u>	<u>1,691,672</u>	<u>466,069</u>	<u>(338,732)</u>	<u>317,772</u>	20
Net Increase (Decrease) in Cash & Equivalents	24,590	8,263	3,930	889	(681)	21
Cash & Equivalents at Beginning of Year	13,913	5,650	1,720	831	1,771	22
Cash & Equivalents at End of Year	\$38,503	\$13,913	\$5,650	\$1,720	\$1,090	23

Table 5 AT

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,491,743	\$5,460,337	\$5,463,493	\$5,451,315	\$5,683,483
2 Access Lines	3,396,133	3,902,584	4,524,007	5,096,732	5,744,148
DOLLAR AMOUNTS					
3 Wages and Benefits	\$758,094	\$4,292,706	\$4,165,818	\$4,040,840	\$3,003,496
4 Depreciation and Amortization	1,114,837	1,273,524	1,322,733	1,326,501	1,337,827
5 Other Operations Expense	2,242,388	2,415,265	2,256,945	2,229,584	2,285,680
6 Total Operation Expenses	4,115,319	7,981,495	7,745,496	7,596,925	6,627,002
7 Income Taxes - Operating Taxes	188,609	(1,208,657)	(1,061,378)	(975,125)	(645,196)
8 Other Taxes - Operating Taxes	479,806	437,895	488,991	450,923	484,621
9 Capital Costs	708,010	(1,750,395)	(1,709,617)	(1,621,407)	(782,944)
10 Total	\$5,491,743	\$5,460,337	\$5,463,493	\$5,451,315	\$5,683,483
PERCENT OF REVENUES					
11 Wages and Benefits	13.8	78.6	76.2	74.1	52.8
12 Depreciation and Amortization	20.3	23.3	24.2	24.3	23.5
13 Other Operations Expense	40.8	44.2	41.3	40.9	40.2
14 Income Taxes - Operating Taxes	3.4	(22.1)	(19.4)	(17.9)	(11.4)
15 Other Taxes - Operating Taxes	8.7	8.0	9.0	8.3	8.5
16 Capital Costs	12.9	(32.1)	(31.3)	(29.7)	(13.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	223.22	1,099.96	920.82	792.83	522.88
19 Depreciation and Amortization	328.27	326.33	292.38	260.26	232.90
20 Other Operations Expense	660.28	618.89	498.88	437.45	397.91
21 Income Taxes - Operating Taxes	55.54	(309.71)	(234.61)	(191.32)	(112.32)
22 Other Taxes - Operating Taxes	141.28	112.21	108.09	88.47	84.37
23 Capital Costs	208.48	(448.52)	(377.90)	(318.13)	(136.30)
24 Total	1,617.06	1,399.16	1,207.67	1,069.57	989.44

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$3,315,575	\$3,493,852	\$3,519,540	\$3,569,141	\$3,661,651	1
Central Office Assets	10,766,751	10,488,954	10,278,894	12,322,055	12,642,021	2
Information Origination/Termination	223,158	223,979	220,730	289,171	358,033	3
Cable And Wire Facilities	14,702,333	14,249,213	17,057,884	15,397,442	16,546,250	4
Amortizable Assets	1,006,711	954,141	923,125	299,871	327,560	5
Total Plant In Service	30,014,529	29,410,139	32,000,173	31,877,680	33,535,516	6
Property Held For Future Use	459					7
Plant Under Construction	438,071	284,932	326,634	295,348	236,159	8
Tel. Acquisition	142,405	142,405	142,405	142,405	142,405	9
Other Plant						10
Nonoperating Plant	499	2,739	9,469	15,437	13,047	11
Goodwill						12
Total Telecommunications Plant	30,595,504	29,840,214	32,478,682	32,330,870	33,927,127	13
Less Acc. Prov. For Depreciation & Amort.	19,612,443	18,820,673	21,266,084	21,103,326	22,714,222	14
Net Total Utility Plant	\$10,983,062	\$11,019,542	\$11,212,598	\$11,227,545	\$11,212,905	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.15	0.14	0.18	0.23	0.25	16
Total Capitalization (\$000)	\$4,862,957	\$4,626,066	\$4,731,835	\$5,748,659	\$7,657,762	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	12.3%	22.7%	26.4%	39.2%	29.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	-62.6%	-81.2%	-41.4%	-2.1%	22.3%	20
Short-Term Debt	150.3%	158.5%	114.9%	63.0%	48.3%	21
Pretax Coverage of Interest Expense	3.68	-7.91	-7.49	-5.82	-2.72	22
Com. Stock Dividends as a % of Earnings	3.4%		-21.8%	-17.4%	-27.6%	23
Return on Common Equity	-21.7%	60.4%	154.4%	-181.6%	-27.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	95.0%	-9.3%	46.2%	121.7%	82.0%	25
CWIP as a % of Plant	1.4%	1.0%	1.0%	0.9%	0.7%	26

Notes:

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

Current Assets	1,304,152	1,169,445	1,113,712	1,085,611	1,226,940
Current Liabilities	8,580,513	8,066,203	6,152,714	4,700,566	4,890,419
Total Capitalization	4,862,957	4,626,066	4,731,835	5,748,659	7,657,762
Long-Term Debt	599,210	1,049,886	1,250,714	2,250,736	2,251,103
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(3,045,096)	(3,757,725)	(1,957,537)	(122,009)	1,705,068
Short-Term Debt	7,308,842	7,333,905	5,438,658	3,619,932	3,701,591
Pretax Income	1,374,494	(2,621,504)	(2,344,671)	(2,037,117)	(822,978)
Interest Expense	373,072	331,308	313,030	350,198	302,962
Dividends Paid	25,000		350,000	250,000	140,000
Net Income (Excl. Preferred Stock Dividends)	737,325	(1,727,367)	(1,605,867)	(1,437,813)	(507,173)
Internal Cash	1,083,888	(108,557)	538,892	1,507,696	1,098,979
Cash Outflows for Construction	(1,140,581)	(1,163,435)	(1,166,069)	(1,239,120)	(1,340,633)
CWIP	438,071	284,932	326,634	295,348	236,159
Total Plant	30,595,504	29,840,214	32,478,682	32,330,870	33,927,127
Shares Outstanding	1	1	0	0	0
Number of Employees	15,705	16,106	16,961	17,173	20,475

Table 4 I

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$20,231	\$17,596	\$16,615	\$27,683	\$34,313	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	36,934	38,785	43,286	41,656	44,705	2
Changes in Deferred Income Taxes	10,374	(2,755)	(2,196)	(1,708)	2,482	3
Changes in Working Capital	(39,214)	35,949	6,220	10,667	(13,896)	4
Capitalized AFDC - Equity	(86)	(74)	(39)	(13)	(15)	5
Other	(6,512)	(10,116)	(7,333)	(20,334)	(24,726)	6
Total Non-Cash Items	1,497	61,789	39,937	30,268	8,550	7
Net Cash Provided From Operating Activities	<u>21,728</u>	<u>79,385</u>	<u>56,553</u>	<u>57,951</u>	<u>42,863</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(24,163)	(24,848)	(23,408)	(27,612)	(18,743)	9
Purchase of Other Investments	7,912	(58,922)	1,165	(27,557)	(29,473)	10
Sale of Other Investments	8,045	5,322	6,594	6,579	3,140	11
Other	177	11,953	13,593	11,429	11,552	12
Net Cash Provided From Investing Activities	<u>(8,029)</u>	<u>(66,495)</u>	<u>(2,056)</u>	<u>(37,161)</u>	<u>(33,525)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(4,592)	(3,691)	(4,379)	(2,646)	(4,038)	14
Common Stock	-	(447)	(4,549)	(929)	(531)	15
Preferred Stock	(3)	(5)	(0)	(1)	(610)	16
Short-Term Debt	(1,054)	(4,134)	5,614	(133)	92	17
Dividends Paid	(4,588)	(9,366)	(58,585)	(11,751)	(5,431)	18
Other Financing	561	(648)	100	(667)	875	19
	-	-	-	-	-	
Net Cash Provided From Financing Activities	<u>(9,676)</u>	<u>(18,291)</u>	<u>(61,798)</u>	<u>(16,126)</u>	<u>(9,644)</u>	20
Net Increase (Decrease) in Cash & Equivalents	4,023	(5,400)	(7,301)	4,664	(305)	21
Cash & Equivalents at Beginning of Year	51,043	56,444	63,745	59,081	59,386	22
Cash & Equivalents at End of Year	\$55,067	\$51,043	\$56,444	\$63,745	\$59,081	23

Table 5 BT

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

	2013	2012	2011	2010	2009
1 Revenues	\$205,842	\$216,055	\$228,367	\$237,519	\$248,813
2 Access Lines	218,820	232,256	246,469	261,778	281,425
DOLLAR AMOUNTS					
3 Wages and Benefits	44,867	54,698	56,623	54,207	54,742
4 Depreciation and Amortization	39,309	40,778	43,059	44,766	48,396
5 Other Operations Expense	79,851	84,609	94,469	92,764	93,105
6 Total Operation Expenses	164,028	180,095	192,593	191,737	196,243
7 Income Taxes - Operating Taxes	6,331	6,079	5,709	10,512	15,276
8 Other Taxes - Operating Taxes	14,360	14,671	13,671	14,486	16,558
9 Capital Costs	21,123	15,210	16,393	20,784	20,735
10 Total	\$205,842	\$216,055	\$228,367	\$237,519	\$248,813
PERCENT OF REVENUES					
11 Wages and Benefits	21.8	25.3	24.8	22.8	22.0
12 Depreciation and Amortization	19.1	18.9	18.9	18.8	19.5
13 Other Operations Expense	38.8	39.2	41.4	39.1	37.4
14 Income Taxes - Operating Taxes	3.1	2.8	2.5	4.4	6.1
15 Other Taxes - Operating Taxes	7.0	6.8	6.0	6.1	6.7
16 Capital Costs	10.3	7.0	7.2	8.8	8.3
17 Total	100.0	100.0	100.7	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	205.04	235.51	229.74	207.07	194.52
19 Depreciation and Amortization	179.64	175.58	174.71	171.01	171.97
20 Other Operations Expense	364.92	364.29	383.29	354.36	330.83
21 Income Taxes - Operating Taxes	28.93	26.18	23.16	40.16	54.28
22 Other Taxes - Operating Taxes	65.63	63.17	55.47	55.34	58.84
23 Capital Costs	96.53	65.49	66.51	79.39	73.68
24 Total Annual	940.69	930.20	932.88	907.33	884.12

Table 6 I

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$128,048	\$129,865	\$130,244	\$130,483	\$131,423	1
Central Office Assets	447,686	446,607	441,171	437,802	433,913	2
Information Origination/Termination	10,329	10,606	10,202	9,842	8,914	3
Cable And Wire Facilities	535,250	528,111	521,078	515,225	506,655	4
Amortizable Assets	1,685	1,490	1,149	1,307	1,523	5
Total Plant In Service	1,122,998	1,116,679	1,103,843	1,094,659	1,082,428	6
Property Held For Future Use	(459)		11	11	11	7
Plant Under Construction	13,463	11,388	7,985	7,980	6,096	8
Tel. Acquisition	215	215	215	215	490	9
Other Plant	(0)	(0)	(0)	(0)	(0)	10
Nonoperating Plant	575	580	570	570	759	11
Goodwill	4,493	4,493	4,493	4,493	1,710	12
Total Telecommunications Plant	1,141,744	1,133,356	1,117,117	1,107,927	1,091,494	13
Less Acc. Prov. For Depreciation & Amort.	882,170	859,398	829,066	799,722	769,031	14
Net Total Utility Plant	\$259,573	\$273,958	\$288,051	\$308,205	\$322,463	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.87	1.30	1.71	1.89	2.30	16
Total Capitalization (\$000)	\$465,529	\$461,330	\$462,236	\$566,341	\$557,711	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	2.6%	3.0%	3.4%	3.4%	4.7%	18
Preferred Stock	0.1%	0.1%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	95.7%	94.9%	93.1%	94.3%	93.8%	20
Short-Term Debt	1.7%	2.1%	3.4%	2.2%	1.4%	21
Pretax Coverage of Interest Expense	12.58	9.79	10.59	13.64	18.90	22
Com. Stock Dividends as a % of Earnings	24.9%	29.9%	321.3%	55.7%	39.1%	23
Return on Common Equity	4.2%	3.8%	3.7%	4.5%	5.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.6%	342.6%	272.1%	239.6%	263.2%	25
CWIP as a % of Plant	1.2%	1.0%	0.6%	0.7%	0.6%	26

Current Assets	185,068	175,916	175,810	162,488	153,261
Current Liabilities	99,059	135,718	102,816	86,109	66,746
Total Capitalization	465,529	461,330	462,236	566,341	557,711
Long-Term Debt	12,026	13,727	15,553	18,998	26,138
Preferred Stock	416	419	924	924	925
Common Stock and Retained Earnings (Excl. Preferred Stock)	445,365	437,643	430,136	534,124	522,900
Short-Term Debt	7,722	9,542	15,624	12,295	7,748
Pretax Income	29,662	27,603	29,236	40,653	49,336
Interest Expense	2,358	2,820	2,761	2,981	2,610
Dividends Paid	4,595	5,003	56,825	13,348	11,650
Net Income (Excl. Preferred Stock Dividends)	18,435	16,703	17,688	23,965	29,781
Internal Cash	24,317	85,125	63,688	66,156	49,324
Cash Outflows for Construction	(24,163)	(24,848)	(23,408)	(27,612)	(18,743)
CWIP	13,463	11,388	6,550	7,980	6,096
Total Plant	1,141,744	1,133,214	1,116,972	1,107,927	1,091,494
Shares Outstanding	1,590	1,589	7,808	7,564	61,498
Number of Employees	749	825	827	871	882

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$5,619,478	\$4,600,161	\$1,238,590	\$4,244,648	\$3,541,882	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	9,223,788	8,806,911	8,403,704	8,767,317	8,385,425	2
Changes in Deferred Income Taxes	(238,032)	(1,195,192)	(690,345)	(1,460,022)	693,269	3
Changes in Working Capital	3,995,801	(1,693,883)	(1,714,290)	2,488,258	(7,842,339)	4
Capitalized AFDC - Equity	(85,594)	(73,774)	(39,004)	(13,332)	(15,342)	5
Other	61,423	134,194	828,600	(580,605)	(104,141)	6
Total Non-Cash Items	12,957,386	5,978,256	6,788,665	9,201,616	1,116,872	7
Net Cash Provided From Operating Activities	<u>18,576,864</u>	<u>10,578,417</u>	<u>8,027,255</u>	<u>13,446,264</u>	<u>4,658,754</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(10,593,897)	(8,487,869)	(4,199,225)	(7,172,779)	(3,772,174)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(10,593,897)</u>	<u>(8,487,869)</u>	<u>(4,199,225)</u>	<u>(7,172,779)</u>	<u>(3,772,174)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments):						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(3,719,729)	(4,140,000)	(1,114,000)	(3,800,000)	(3,249,466)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(3,719,729)</u>	<u>(4,140,000)</u>	<u>(1,114,000)</u>	<u>(3,800,000)</u>	<u>(3,249,466)</u>	20
Net Increase (Decrease) in Cash & Equivalents	4,263,238	(2,049,452)	2,714,030	2,473,485	(2,362,886)	21
Cash & Equivalents at Beginning of Year	29,784,031	31,833,483	29,119,453	26,645,968	29,008,854	22
Cash & Equivalents at End of Year	\$34,047,269	\$29,784,031	\$31,833,483	\$29,119,453	\$26,645,968	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$35,347,235	\$37,195,862	\$38,155,879	\$39,569,242	\$40,818,508
2 Access Lines	46,668	49,810	52,713	55,255	59,764
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,431,089	\$4,472,751	\$6,402,944	\$5,092,811	\$5,500,426
4 Depreciation and Amortization	9,223,788	8,806,911	8,403,704	8,767,317	8,385,425
5 Other Operations Expense	10,083,269	11,208,672	15,534,182	13,422,910	15,727,999
6 Total Operation Expenses	21,738,146	24,488,334	30,340,830	27,283,038	29,613,850
7 Income Taxes - Operating Taxes	2,702,620	2,325,341	589,399	2,293,363	1,914,050
8 Other Taxes - Operating Taxes	3,320,322	3,632,662	3,553,122	3,568,859	3,884,753
9 Capital Costs	7,586,147	6,749,525	3,672,528	6,423,981	5,405,855
10 Total	\$35,347,235	\$37,195,862	\$38,155,879	\$39,569,242	\$40,818,508
PERCENT OF REVENUES					
11 Wages and Benefits	6.9	12.0	16.8	12.9	13.5
12 Depreciation and Amortization	26.1	23.7	22.0	22.2	20.5
13 Other Operations Expense	28.5	30.1	40.7	33.9	38.5
14 Income Taxes - Operating Taxes	7.6	6.3	1.5	5.8	4.7
15 Other Taxes - Operating Taxes	9.4	9.8	9.3	9.0	9.5
16 Capital Costs	21.5	18.1	9.6	16.2	13.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	52.09	89.80	121.47	92.17	92.04
19 Depreciation and Amortization	197.65	176.81	159.42	158.67	140.31
20 Other Operations Expense	216.06	225.03	294.69	242.93	263.17
21 Income Taxes - Operating Taxes	57.91	46.68	11.18	41.51	32.03
22 Other Taxes - Operating Taxes	71.15	72.93	67.41	64.59	65.00
23 Capital Costs	162.56	135.51	69.67	116.26	90.45
24 Total	757.42	746.75	723.84	716.12	682.99

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$20,575,797	\$20,541,860	\$20,443,222	\$20,265,510	\$20,232,523	1
Central Office Assets	102,281,285	98,285,483	94,191,700	91,445,186	89,242,672	2
Information Origination/Termination	42,883	41,889	41,889	46,026	127,591	3
Cable And Wire Facilities	108,814,771	106,263,891	104,629,846	103,612,796	102,601,927	4
Amortizable Assets						5
Total Plant In Service	231,714,736	225,133,123	219,306,657	215,369,518	212,204,713	6
Property Held For Future Use						7
Plant Under Construction	5,452,955	3,732,069	1,380,338	1,593,329	1,063,803	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	37,008	37,008	37,008	37,008	37,008	11
Goodwill	2,783,153	2,783,153	2,783,153	2,783,153		12
Total Telecommunications Plant	239,987,852	231,685,353	223,507,156	219,783,008	213,305,524	13
Less Acc. Prov. For Depreciation & Amort.	184,934,217	177,728,068	169,303,614	161,406,175	153,324,053	14
Net Total Utility Plant	\$55,053,635	\$53,957,285	\$54,203,542	\$58,376,833	\$59,981,471	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.32	7.69	17.30	8.57	15.31	16
Total Capitalization	\$78,964,331	\$77,064,582	\$76,604,421	\$76,479,831	\$76,035,674	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	2774033.54	494679.71	130571.64	97583.26	59956.30	22
Com. Stock Dividends as a % of Earnings	66.2%	90.0%	89.9%	89.5%	91.7%	23
Return on Common Equity	7.2%	6.0%	1.6%	5.6%	4.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	175.4%	124.6%	191.1%	187.5%	123.5%	25
CWIP as a % of Plant	2.3%	1.6%	0.6%	0.7%	0.5%	26

Current Assets	41,866,454	39,789,581	37,160,872	35,571,403	32,856,882
Current Liabilities	6,626,795	5,172,924	2,147,983	4,152,283	2,146,581
Total Capitalization	78,964,331	77,064,582	76,604,421	76,479,831	76,035,674
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	78,964,331	77,064,582	76,604,421	76,479,831	76,035,674
Short-Term Debt					
Pretax Income	8,322,101	6,925,516	1,828,003	6,538,078	5,456,023
Interest Expense	3	14	14	67	91
Common Dividends Paid	3,719,729	4,140,000	1,114,000	3,800,000	3,249,466
Net Income (Excl. Preferred Stock Dividends)	5,619,478	4,600,161	1,238,590	4,244,648	3,541,882
Internal Cash	18,577,919	10,578,417	8,026,199	13,446,264	4,658,754
Cash Outflows for Construction	(10,593,897)	(8,487,869)	(4,199,225)	(7,172,779)	(3,772,174)
CWIP	5,452,955	3,732,069	1,380,338	1,593,329	1,063,803
Total Plant	239,987,852	231,685,353	223,504,156	219,783,008	213,305,524
Shares Outstanding	2,821	2,621	2,621	2,621	2,621
Number of Employees	40	59	59	67	71

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$165,556)	\$44,450	(\$20,264)	(\$77,775)	(\$168,829)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	486,016	696,371	787,618	757,128	933,528	2
Changes in Deferred Income Taxes	(101,336)	(138,571)	(100,972)	(57,299)	(131,632)	3
Changes in Working Capital	(179,971)	229,801	(75,235)	(67,858)	161,111	4
Capitalized AFDC - Equity						5
Other	40,951	(696)	26,944	55,349	(11,847)	6
Total Non-Cash Items	245,660	786,905	638,355	687,320	951,160	7
Net Cash Provided From Operating Activities	<u>80,104</u>	<u>831,355</u>	<u>618,091</u>	<u>609,545</u>	<u>782,330</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(72,905)	(48,702)	(143,573)	(\$309,774)	(398,856)	9
Purchase of Other Investments						10
Sale of Other Investments	82	970	2,098	\$6,850	(11,769)	11
Other	(2,478)	(671)	(9,648)	(\$2,033)	(1,195)	12
Net Cash Provided From Investing Activities	<u>(75,301)</u>	<u>(48,403)</u>	<u>(151,123)</u>	<u>(304,957)</u>	<u>(411,820)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(2,597,312)	(128,421)	(159,782)	(\$164,761)	(157,069)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	602,777	(2,785)				19
Net Cash Provided From Financing Activities	<u>(1,994,535)</u>	<u>(131,206)</u>	<u>(159,782)</u>	<u>(164,761)</u>	<u>(157,069)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,989,732)	651,746	307,186	139,827	213,441	21
Cash & Equivalents at Beginning of Year	2,141,665	1,489,919	1,182,733	1,042,906	829,465	22
Cash & Equivalents at End of Year	\$151,933	\$2,141,665	\$1,489,919	\$1,182,733	\$1,042,906	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,196,141	\$4,578,634	\$4,498,666	\$4,605,800	\$4,427,430
2 Access Lines	2,565	2,464	2,522	2,644	2,744
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,551,139	\$1,435,798	\$776,282	\$823,503	\$872,026
4 Depreciation and Amortization	486,016	696,371	787,618	757,128	933,528
5 Other Operations Expense	2,060,040	1,966,454	2,603,368	2,671,572	2,581,341
6 Total Operation Expenses	4,097,194	4,098,623	4,167,268	4,252,203	4,386,895
7 Income Taxes - Operating Taxes	(41,473)	(7,594)	(53,045)	17,345	(172,316)
8 Other Taxes - Operating Taxes	265,351	308,103	265,753	262,254	260,360
9 Capital Costs	(124,931)	179,502	118,690	73,999	(47,509)
10 Total	\$4,196,141	\$4,578,634	\$4,498,666	\$4,605,800	\$4,427,430
PERCENT OF REVENUES					
11 Wages and Benefits	37.0	31.4	17.3	17.9	19.7
12 Depreciation and Amortization	11.6	15.2	17.5	16.4	21.1
13 Other Operations Expense	49.1	42.9	57.9	58.0	58.3
14 Income Taxes - Operating Taxes	(1.0)	(0.2)	(1.2)	0.4	(3.9)
15 Other Taxes - Operating Taxes	6.3	6.7	5.9	5.7	5.9
16 Capital Costs	(3.0)	3.9	2.6	1.6	(1.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	604.73	582.71	307.80	311.46	317.79
19 Depreciation and Amortization	189.48	282.62	312.30	286.36	340.21
20 Other Operations Expense	803.13	798.07	1,032.26	1,010.43	940.72
21 Income Taxes - Operating Taxes	(16.17)	(3.08)	(21.03)	6.56	(62.80)
22 Other Taxes - Operating Taxes	103.45	125.04	105.37	99.19	94.88
23 Capital Costs	(48.71)	72.85	47.06	27.99	(17.31)
24 Total	1,635.92	1,858.21	1,783.77	1,741.98	1,613.49

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,518,894	\$1,593,609	\$1,688,180	\$1,714,835	\$1,702,022	1
Central Office Assets	3,854,478	3,902,136	4,880,504	5,696,309	5,778,000	2
Information Origination/Termination	87,670	87,670	87,670	87,670	206,037	3
Cable And Wire Facilities	5,929,436	5,878,832	6,618,348	6,538,295	6,355,446	4
Amortizable Assets						5
Total Plant In Service	11,390,478	11,462,247	13,274,702	14,037,108	14,041,506	6
Property Held For Future Use						7
Plant Under Construction	2,294	1,313		10,683	75,130	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,392,772	11,463,560	13,274,702	14,047,791	14,116,636	13
Less Acc. Prov. For Depreciation & Amort.	8,898,260	8,558,334	9,721,513	9,858,109	9,474,784	14
Net Total Utility Plant	\$2,494,511	\$2,905,226	\$3,553,189	\$4,189,682	\$4,641,852	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.76	0.88	0.70	0.57	2.48	16
Total Capitalization	\$2,617,568	\$4,787,434	\$4,871,401	\$5,051,449	\$5,293,985	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				0.5%	54.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	77.1%	45.7%	44.0%	42.9%	42.4%	20
Short-Term Debt	22.9%	54.3%	56.0%	56.6%	3.1%	21
Pretax Coverage of Interest Expense	-4.39	1.30	0.51	0.64	-1.03	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-7.9%	2.1%	-9.4%	-3.5%	-7.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	109.9%	1707.0%	430.5%	196.8%	196.1%	25
CWIP as a % of Plant	0.0%	0.0%		0.1%	0.5%	26

Current Assets	801,432	2,840,909	2,226,830	1,897,947	1,848,740
Current Liabilities	1,058,517	3,234,812	3,174,575	3,338,045	744,946
Total Capitalization	2,617,568	4,787,434	4,871,401	5,051,449	5,293,985
Long-Term Debt				24,550	2,887,691
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,017,568	2,190,122	2,145,668	2,165,933	2,243,709
Short-Term Debt	600,000	2,597,312	2,725,733	2,860,965	162,585
Pretax Income	(168,637)	173,306	72,160	95,428	(161,040)
Interest Expense	38,392	133,423	140,147	148,400	156,500
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(165,556)	44,450	(202,264)	(77,775)	(168,829)
Internal Cash	80,104	831,355	618,091	609,545	782,330
Cash Outflows for Construction	(72,905)	(48,702)	(143,573)	(309,774)	(398,856)
CWIP	2,294	1,313		10,683	75,130
Total Plant	11,392,772	11,463,559	13,274,702	14,047,791	14,116,636
Shares Outstanding	4,860	4,860	4,860	4,860	4,860
Number of Employees	10	11	11	25	25

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$177,973)	(\$275,940)	(\$185,438)	(\$5,477)	\$306,168	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	554,076	578,298	641,793	263,318	209,301	2
Changes in Deferred Income Taxes	(80,088)	(52,429)	(61,876)	95,188	146,370	3
Changes in Working Capital	(550,526)	50,762	(199,596)	48,000	(53,526)	4
Capitalized AFDC - Equity						5
Other	190,421	16,203	(57,256)	(84,909)	(637,133)	6
Total Non-Cash Items	113,883	592,834	323,065	321,597	(334,988)	7
Net Cash Provided From Operating Activities	<u>(64,090)</u>	<u>316,894</u>	<u>137,627</u>	<u>316,120</u>	<u>(28,820)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	66,111	(314,581)	(133,498)	(320,989)	(45,870)	9
Purchase of Other Investments					55,010	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>66,111</u>	<u>(314,581)</u>	<u>(133,498)</u>	<u>(320,989)</u>	<u>9,140</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities						<u>20</u>
Net Increase (Decrease) in Cash & Equivalents	2,020	2,313	4,129	(4,869)	(19,680)	21
Cash & Equivalents at Beginning of Year	16,304	13,991	9,862	14,731	34,411	22
Cash & Equivalents at End of Year	\$18,323	\$16,304	\$13,991	\$9,862	\$14,731	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,597,759	\$2,460,857	\$2,618,683	\$3,054,678	\$3,312,126
2 Access Lines	2,991	3,186	3,507	3,825	4,092
DOLLAR AMOUNTS					
3 Wages and Benefits	\$451,430	\$522,925	\$539,295	\$691,354	\$671,627
4 Depreciation and Amortization	554,076	578,298	641,793	751,497	814,390
5 Other Operations Expense	1,471,420	1,482,985	1,574,968	1,838,995	1,836,889
6 Total Operation Expenses	2,476,926	2,584,208	2,756,055	3,281,846	3,322,906
7 Income Taxes - Operating Taxes	(4,379)	(120,489)	(114,676)	(188,431)	(258,122)
8 Other Taxes - Operating Taxes	187,082	181,869	80,464	196,345	179,120
9 Capital Costs	(61,870)	(184,731)	(103,160)	(235,081)	68,222
10 Total	\$2,597,759	\$2,460,857	\$2,618,683	\$3,054,678	\$3,312,126
PERCENT OF REVENUES					
11 Wages and Benefits	17.4	21.2	20.6	22.6	20.3
12 Depreciation and Amortization	21.3	23.5	24.5	24.6	24.6
13 Other Operations Expense	56.6	60.3	60.1	60.2	55.5
14 Income Taxes - Operating Taxes	(0.2)	(4.9)	(4.4)	(6.2)	(7.8)
15 Other Taxes - Operating Taxes	7.2	7.4	3.1	6.4	5.4
16 Capital Costs	(2.4)	(7.5)	(3.9)	(7.7)	2.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	150.93	164.13	153.78	180.75	164.13
19 Depreciation and Amortization	185.25	181.51	183.00	196.47	199.02
20 Other Operations Expense	491.95	465.47	449.09	480.78	448.90
21 Income Taxes - Operating Taxes	(1.46)	(37.82)	(32.70)	(49.26)	(63.08)
22 Other Taxes - Operating Taxes	62.55	57.08	22.94	51.33	43.77
23 Capital Costs	(20.69)	(57.98)	(29.42)	(61.46)	16.67
24 Total	868.53	772.40	746.70	798.61	809.41

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,453,816	\$3,661,039	\$3,862,690	\$3,850,751	\$3,775,075	1
Central Office Assets	4,898,386	5,829,126	5,802,475	5,747,812	5,546,840	2
Information Origination/Termination	48,712	313,033	313,033	313,034	313,034	3
Cable And Wire Facilities	7,227,590	7,146,466	7,117,370	7,105,562	7,027,501	4
Amortizable Assets	60,754	60,754	60,754	60,754	60,754	5
Total Plant In Service	15,689,259	17,010,418	17,156,322	17,077,913	16,723,204	6
Property Held For Future Use						7
Plant Under Construction	82,743	274,260	92,764	45,876	99,996	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	141,975	141,975	141,975	141,975	141,975	11
Goodwill						12
Total Telecommunications Plant	15,913,976	17,426,653	17,391,061	17,265,764	16,965,175	13
Less Acc. Prov. For Depreciation & Amort.	11,272,645	12,165,134	11,865,825	11,232,232	10,989,317	14
Net Total Utility Plant	\$4,641,331	\$5,261,519	\$5,525,236	\$6,033,532	\$5,975,858	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-0.11	-0.23	-0.09	-0.40	-0.87	16
Total Capitalization	\$7,530,781	\$7,520,755	\$8,012,693	\$8,344,131	\$8,503,425	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-2121.78	1420.11	-3.06	#DIV/0!	#DIV/0!	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-2.3%	-3.5%	-3.3%	-5.6%	-3.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	96.9%	100.7%	103.1%	90.0%	-62.8%	25
CWIP as a % of Plant	0.5%	1.6%	0.5%	0.3%	0.6%	26

Current Assets	230,437	325,528	144,053	453,585	768,055
Current Liabilities	(2,078,814)	(1,426,233)	(1,659,957)	(1,146,018)	(884,096)
Total Capitalization	7,530,781	7,520,755	8,012,693	8,344,131	8,503,425
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,530,781	7,520,755	8,012,693	8,344,131	8,503,425
Short-Term Debt					
Pretax Income	(256,735)	(373,488)	(268,793)	(450,696)	(189,900)
Interest Expense	121	(263)	87,868		
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(176,647)	(273,440)	(267,128)	(468,213)	(338,283)
Internal Cash	(64,090)	316,894	137,627	288,937	(28,819)
Cash Outflows for Construction	66,111	(314,581)	(133,498)	(320,989)	(45,870)
CWIP	82,743	274,260	92,764	45,876	99,996
Total Plant	15,913,976	17,284,678	17,249,086	17,265,764	16,965,175
Shares Outstanding	1,500	1,500	1,536	1,536	1,536
Number of Employees	8	8	9	10	13

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$40,110	\$70,145	\$130,518	\$154,737	\$111,622	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	151,800	151,185	149,055	145,691	142,181	2
Changes in Deferred Income Taxes	(26,236)	(31,111)	4,189	(4,613)	16,855	3
Changes in Working Capital	(112,771)	(228,746)	(237,649)	(189,620)	(109,672)	4
Capitalized AFDC - Equity						5
Other	30,021	54,600	20,966	(19,579)	(25,106)	6
Total Non-Cash Items	42,814	(54,072)	(63,439)	(68,121)	24,258	7
Net Cash Provided From Operating Activities	<u>82,924</u>	<u>16,073</u>	<u>67,079</u>	<u>86,616</u>	<u>135,880</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(67,747)	(16,062)	(66,463)	(73,543)	(132,978)	9
Purchase of Other Investments						10
Sale of Other Investments	(3,933)	902	(1,465)	(16,131)	(3,127)	11
Other						12
Net Cash Provided From Investing Activities	<u>(71,680)</u>	<u>(15,160)</u>	<u>(67,928)</u>	<u>(89,674)</u>	<u>(136,105)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities						<u>20</u>
Net Increase (Decrease) in Cash & Equivalents	11,244	913	(849)	(3,058)	(225)	21
Cash & Equivalents at Beginning of Year	1,178	265	1,114	4,172	4,397	22
Cash & Equivalents at End of Year	\$12,422	\$1,178	\$265	\$1,114	\$4,172	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$782,726	\$815,744	\$864,291	\$872,669	\$916,002
2 Access Lines	881	915	957	997	1,076
DOLLAR AMOUNTS					
3 Wages and Benefits	\$294,349	\$272,489	\$265,587	\$296,273	\$285,616
4 Depreciation and Amortization	151,800	151,185	149,054	145,691	142,181
5 Other Operations Expense	238,897	209,782	223,367	237,184	343,307
6 Total Operation Expenses	685,046	633,456	638,008	679,148	771,104
7 Income Taxes - Operating Taxes	36,001	66,548	75,168	65,388	47,512
8 Other Taxes - Operating Taxes	30,034	30,837	30,471	31,073	36,053
9 Capital Costs	31,645	84,903	120,644	97,060	61,333
10 Total	\$782,726	\$815,744	\$864,291	\$872,669	\$916,002
PERCENT OF REVENUES					
11 Wages and Benefits	37.6	33.4	30.7	34.0	31.2
12 Depreciation and Amortization	19.4	18.5	17.2	16.7	15.5
13 Other Operations Expense	30.5	25.7	25.8	27.2	37.5
14 Income Taxes - Operating Taxes	4.6	8.2	8.7	7.5	5.2
15 Other Taxes - Operating Taxes	3.8	3.8	3.5	3.6	3.9
16 Capital Costs	4.0	10.4	14.0	11.1	6.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	334.11	297.80	277.52	297.16	265.44
19 Depreciation and Amortization	172.30	165.23	155.75	146.13	132.14
20 Other Operations Expense	271.17	229.27	233.40	237.90	319.06
21 Income Taxes - Operating Taxes	40.86	72.73	78.55	65.58	44.16
22 Other Taxes - Operating Taxes	34.09	33.70	31.84	31.17	33.51
23 Capital Costs	35.92	92.79	126.06	97.35	57.00
24 Total	888.45	891.52	903.13	875.29	851.30

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$318,460	\$313,942	\$313,943	\$313,942	\$312,142	1
Central Office Assets	1,346,955	1,338,721	1,332,605	1,311,927	1,280,820	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,383,241	1,365,252	1,364,955	1,322,221	1,310,279	4
Amortizable Assets						5
Total Plant In Service	3,114,266	3,083,525	3,077,113	3,013,700	2,968,851	6
Property Held For Future Use						7
Plant Under Construction	36,918	6,805		26,409	16,171	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	3,151,184	3,090,330	3,077,113	3,040,109	2,985,022	13
Less Acc. Prov. For Depreciation & Amort.	2,287,500	2,146,525	1,997,282	1,879,152	1,768,048	14
Net Total Utility Plant	\$863,684	\$943,805	\$1,079,831	\$1,160,957	\$1,216,974	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	28.65	23.03	47.56	17.37	10.13	16
Total Capitalization	\$1,909,342	\$1,869,232	\$1,799,087	\$1,668,569	\$1,513,832	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-0.99	-2.40	-5.58	-5.07	-5.53	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	2.1%	3.8%	7.5%	9.7%	7.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	122.4%	100.1%	100.9%	117.8%	102.2%	25
CWIP as a % of Plant	1.2%	0.2%		0.9%	0.5%	26

Current Assets	1,382,720	1,265,229	1,000,806	787,224	623,818
Current Liabilities	48,267	54,935	21,042	45,331	61,602
Total Capitalization	1,909,342	1,869,232	1,799,087	1,668,569	1,513,832
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,909,342	1,869,232	1,799,087	1,668,569	1,513,832
Short-Term Debt					
Pretax Income	37,885	96,539	174,433	183,839	134,761
Interest Expense	(38,226)	(40,154)	(31,253)	(36,286)	(24,373)
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	40,110	70,145	130,518	154,737	111,622
Internal Cash	82,924	16,073	67,079	86,616	135,880
Cash Outflows for Construction	(67,747)	(16,062)	(66,463)	(73,543)	(132,978)
CWIP	36,918	6,805		26,409	16,171
Total Plant	3,151,184	3,090,330	3,077,113	3,040,109	2,985,022
Shares Outstanding	695	695	695	695	695
Number of Employees	6	6	6	8	8

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$93,681)	(\$481,677)	(\$448,036)	(\$141,025)	(\$214,572)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	438,890	480,058	530,789	517,954	552,996	2
Changes in Deferred Income Taxes	16,296	(100,036)	(144,873)	(14,827)	(93,279)	3
Changes in Working Capital	329,838	(53,867)	302,937	(10,784)	(546,311)	4
Capitalized AFDC - Equity						5
Other	(200,446)	(28,088)	61,170	(120,838)	172,172	6
Total Non-Cash Items	584,578	298,067	750,023	371,505	85,578	7
Net Cash Provided From Operating Activities	490,897	(183,610)	301,987	230,480	(128,994)	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(35,398)	(36,615)	(69,177)	(156,420)	(236,136)	9
Purchase of Other Investments						10
Sale of Other Investments				14,923	1,369	11
Other		(2)				12
Net Cash Provided From Investing Activities	(35,398)	(36,617)	(69,177)	(141,497)	(234,767)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(188,048)	(178,924)	(170,347)	(162,116)	(154,268)	14
Common Stock						15
Preferred Stock					(1,500)	16
Short-Term Debt	(224,000)	446,500				17
Dividends Paid	(8,927)	(8,927)	(8,927)	(8,927)	(8,927)	18
Other Financing	(34,158)	(27,894)	(198,749)	44,164	691,087	19
Net Cash Provided From Financing Activities	(455,133)	230,755	(378,023)	(126,879)	526,392	20
Net Increase (Decrease) in Cash & Equivalents	366	10,528	(145,213)	(37,896)	162,631	21
Cash & Equivalents at Beginning of Year	11,303	775	145,988	183,884	21,253	22
Cash & Equivalents at End of Year	\$11,669	\$11,303	\$775	\$145,988	\$183,884	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,073,247	\$4,348,224	\$4,568,657	\$4,750,230	\$5,063,140
2 Access Lines	3,952	4,022	4,100	4,203	4,375
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,031,574	\$2,812,316	\$2,848,464	2,848,498	\$2,723,556
4 Depreciation and Amortization	437,441	478,609	529,340	516,505	551,547
5 Other Operations Expense	1,468,176	1,483,755	1,485,342	1,483,124	1,710,476
6 Total Operation Expenses	3,937,191	4,774,680	4,863,146	4,848,127	4,985,579
7 Income Taxes - Operating Taxes	(3,179)	(228,673)	(188,061)	(114,294)	(65,928)
8 Other Taxes - Operating Taxes	144,064	199,226	208,801	225,068	235,312
9 Capital Costs	(4,829)	(397,009)	(315,229)	(208,671)	(91,823)
10 Total	\$4,073,247	\$4,348,224	\$4,568,657	\$4,750,230	\$5,063,140
PERCENT OF REVENUES					
11 Wages and Benefits	49.9	64.7	62.3	60.0	53.8
12 Depreciation and Amortization	10.7	11.0	11.6	10.9	10.9
13 Other Operations Expense	36.0	34.1	32.5	31.2	33.8
14 Income Taxes - Operating Taxes	(0.1)	(5.3)	(4.1)	(2.4)	(1.3)
15 Other Taxes - Operating Taxes	3.5	4.6	4.6	4.7	4.6
16 Capital Costs	(0.1)	(9.1)	(6.9)	(4.4)	(1.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	514.06	699.23	694.75	677.73	622.53
19 Depreciation and Amortization	110.69	119.00	129.11	122.89	126.07
20 Other Operations Expense	371.50	368.91	362.28	352.87	390.97
21 Income Taxes - Operating Taxes	(0.80)	(56.86)	(45.87)	(27.19)	(15.07)
22 Other Taxes - Operating Taxes	36.45	49.53	50.93	53.55	53.79
23 Capital Costs	(1.22)	(98.71)	(76.89)	(49.65)	(20.99)
24 Total	1,030.68	1,081.11	1,114.31	1,130.20	1,157.29

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$2,418,240	\$2,454,286	\$2,550,894	\$2,581,128	\$2,682,806	1
Central Office Assets	3,076,128	3,028,980	3,031,328	3,101,951	3,083,661	2
Information Origination/Termination	26,734	26,734	26,734	26,734	26,734	3
Cable And Wire Facilities	7,378,496	7,362,139	7,337,871	7,291,419	7,198,004	4
Amortizable Assets						5
Total Plant In Service	12,899,598	12,872,139	12,946,827	13,001,232	12,991,205	6
Property Held For Future Use						7
Plant Under Construction	23,296	48,496	23,477	28,919	148,723	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,922,894	12,920,635	12,970,304	13,030,151	13,139,928	13
Less Acc. Prov. For Depreciation & Amort.	9,460,929	9,058,248	8,693,199	8,297,599	8,075,363	14
Net Total Utility Plant	\$3,461,965	\$3,862,387	\$4,277,105	\$4,732,552	\$5,064,565	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.98	0.99	1.21	1.48	3.26	16
Total Capitalization	\$1,824,460	\$2,878,062	\$3,128,984	\$3,955,043	\$4,222,946	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	11.1%	13.6%	18.2%	18.7%	21.4%	18
Preferred Stock	7.5%	4.8%	4.4%	3.5%	3.3%	19
Common Stock & Retained Earnings	60.3%	60.5%	72.2%	73.7%	71.5%	20
Short-Term Debt	21.1%	21.1%	5.2%	4.1%	3.8%	21
Pretax Coverage of Interest Expense	-1.13	-14.78	-14.07	-4.09	-3.95	22
Com. Stock Dividends as a % of Earnings	-29.2%	-12.2%	-13.1%	-39.9%	-26.8%	23
Return on Common Equity	-7.2%	-24.5%	-17.7%	-5.1%	-7.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1386.8%	-501.5%	436.5%	147.3%	-54.6%	25
CWIP as a % of Plant	0.2%	0.4%	0.2%	0.2%	1.1%	26

Current Assets	3,180,142	3,054,351	2,759,929	2,780,328	2,536,847
Current Liabilities	3,242,252	3,074,310	2,289,013	1,883,095	777,173
Total Capitalization	1,824,460	2,878,062	3,128,984	3,955,043	4,222,946
Long-Term Debt	202,598	390,647	569,571	739,918	902,033
Preferred Stock	137,350	137,350	137,350	137,350	137,350
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,099,931	1,741,484	2,259,982	2,915,694	3,021,482
Short-Term Debt	384,581	608,581	162,081	162,081	162,081
Pretax Income	(53,184)	(670,031)	(597,523)	(206,839)	(225,336)
Interest Expense	47,153	45,337	42,480	50,566	57,094
Common Dividends Paid	29,944	59,888	59,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	(102,608)	(490,604)	(456,963)	(149,952)	(223,499)
Internal Cash	490,897	(183,610)	301,987	230,480	(128,994)
Cash Outflows for Construction	(35,398)	(36,615)	(69,177)	(156,420)	(236,136)
CWIP	23,296	48,496	23,477	28,919	148,723
Total Plant	12,922,894	12,920,635	12,970,304	13,030,151	13,139,928
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	31	31	32	33	33

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$484,327	\$276,058	\$429,031	\$1,134,650	\$997,648	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	750,394	632,258	970,765	372,067	370,156	2
Changes in Deferred Income Taxes	(76,591)	(24,365)	(96,430)	164,574	202,089	3
Changes in Working Capital	156,985	(7,346)	(132,393)	927,224	(626,293)	4
Capitalized AFDC - Equity	0					5
Other	(789,117)	306,720	(601,968)	(2,054,535)	(793,212)	6
Total Non-Cash Items	41,671	907,267	139,974	(590,670)	(847,260)	7
Net Cash Provided From Operating Activities	<u>525,998</u>	<u>1,183,325</u>	<u>569,005</u>	<u>543,980</u>	<u>150,388</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(525,998)	(1,183,326)	(572,853)	(544,738)	(162,617)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other		2				12
Net Cash Provided From Investing Activities	<u>(525,998)</u>	<u>(1,183,324)</u>	<u>(572,853)</u>	<u>(544,738)</u>	<u>(162,617)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	20
Net Increase (Decrease) in Cash & Equivalents	0	1	(3,848)	(758)	(12,229)	21
Cash & Equivalents at Beginning of Year	600	599	4,447	5,205	17,435	22
Cash & Equivalents at End of Year	\$600	\$600	\$599	\$4,447	\$5,206	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,019,076	\$4,942,954	\$5,433,135	\$6,387,322	\$6,341,152
2 Access Lines	6,016	6,360	7,099	7,666	8,198
DOLLAR AMOUNTS					
3 Wages and Benefits	\$946,815	\$1,078,617	\$1,298,468	1,364,972	\$1,545,343
4 Depreciation and Amortization	750,394	632,258	970,765	1,434,453	1,895,781
5 Other Operations Expense	2,675,417	2,877,726	2,848,905	3,088,243	2,888,258
6 Total Operation Expenses	4,372,626	4,598,601	5,118,139	5,887,668	6,329,382
7 Income Taxes - Operating Taxes	53,448	(79,865)	(88,286)	(29,043)	(621,743)
8 Other Taxes - Operating Taxes	442,693	448,959	418,613	463,633	549,868
9 Capital Costs	150,309	(24,741)	(15,331)	65,064	83,645
10 Total	\$5,019,076	\$4,942,954	\$5,433,135	\$6,387,322	\$6,341,152
PERCENT OF REVENUES					
11 Wages and Benefits	18.9	21.8	23.9	21.4	24.4
12 Depreciation and Amortization	15.0	12.8	17.9	22.5	29.9
13 Other Operations Expense	53.3	58.2	52.4	48.3	45.5
14 Income Taxes - Operating Taxes	1.1	(1.6)	(1.6)	(0.5)	(9.8)
15 Other Taxes - Operating Taxes	8.8	9.1	7.7	7.3	8.7
16 Capital Costs	3.0	(0.5)	(0.3)	1.0	1.3
17 Total	100.0	99.8	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	157.38	169.59	182.91	178.06	188.50
19 Depreciation and Amortization	124.73	99.41	136.75	187.12	231.25
20 Other Operations Expense	444.72	452.47	401.31	402.85	352.31
21 Income Taxes - Operating Taxes	8.88	(12.56)	(12.44)	(3.79)	(75.84)
22 Other Taxes - Operating Taxes	73.59	70.59	58.97	60.48	67.07
23 Capital Costs	24.98	(3.89)	(2.16)	8.49	10.20
24 Total	834.29	775.62	765.34	833.20	773.50

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,669,407	\$4,635,831	\$4,626,393	\$4,708,401	\$4,741,102	1
Central Office Assets	12,939,476	13,001,272	12,917,424	12,964,607	13,160,416	2
Information Origination/Termination	7,400	7,400	7,400	7,400	7,400	3
Cable And Wire Facilities	12,660,822	12,450,902	12,371,356	12,253,367	12,159,509	4
Amortizable Assets						5
Total Plant In Service	30,277,105	30,095,405	29,922,573	29,933,775	30,068,427	6
Property Held For Future Use						7
Plant Under Construction	914,936	1,135,285	233,221	135,000	118,309	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	31,192,041	31,230,690	30,155,794	30,068,775	30,186,736	13
Less Acc. Prov. For Depreciation & Amort.	22,259,646	22,073,901	21,550,071	21,065,138	21,355,773	14
Net Total Utility Plant	\$8,932,394	\$9,156,789	\$8,605,723	\$9,003,637	\$8,830,963	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.87	0.96	0.95	0.91	1.40	16
Total Capitalization	\$7,099,593	\$7,554,266	\$7,026,207	\$7,307,176	\$7,633,526	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	(1,392.67)	(116.83)	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	6.6%	3.8%	6.1%	0.9%	-11.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	100.0%	99.3%	99.9%	92.5%	25
CWIP as a % of Plant	2.9%	3.6%	0.8%	0.4%	0.4%	26

Current Assets	1,476,944	1,423,580	1,225,105	1,942,884	2,617,171
Current Liabilities	1,693,098	1,479,847	1,294,374	2,131,543	1,875,114
Total Capitalization	7,099,593	7,554,266	7,026,207	7,307,176	7,633,526
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,099,593	7,554,266	7,026,207	7,307,176	7,633,526
Short-Term Debt					
Pretax Income	565,874	231,674	385,888	455,404	(538,198)
Interest Expense				(327)	4,607
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	485,341	277,161	433,952	69,733	(887,159)
Internal Cash	525,998	1,183,325	569,005	543,980	150,384
Cash Outflows for Construction	(525,998)	(1,183,326)	(572,853)	(544,738)	(162,617)
CWIP	914,936	1,135,285	233,221	135,000	118,309
Total Plant	31,192,041	31,230,690	30,155,794	30,068,775	30,186,736
Shares Outstanding	100	100	100	100	100
Number of Employees	13	15	18	50	46

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$68,862)	\$131,316	(\$36,052)	(\$446,773)	(\$400,361)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	407,782	791,125	774,462	708,858	707,196	2
Changes in Deferred Income Taxes	(5,895)	(126,419)	(33,494)	(27,939)	128,076	3
Changes in Working Capital	(477,194)	231,087	(27,594)	(518,869)	(86,311)	4
Capitalized AFDC - Equity	0					5
Other	64,603	(221,161)	(258,027)	449,359	67,278	6
Total Non-Cash Items	(10,704)	674,632	455,347	611,409	816,239	7
Net Cash Provided From Operating Activities	<u>(79,566)</u>	<u>805,948</u>	<u>419,295</u>	<u>164,636</u>	<u>415,878</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(264,321)	(195,518)	(186,976)	(132,720)	(159,429)	9
Purchase of Other Investments	0					10
Sale of Other Investments	0	1,047	535	115,943	(23,821)	11
Other	23,419	6,846	15,287	26,387	38,240	12
Net Cash Provided From Investing Activities	<u>(240,902)</u>	<u>(187,625)</u>	<u>(171,154)</u>	<u>9,610</u>	<u>(145,010)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(30,295)	(86,172)	(140,272)	(133,464)	(164,745)	14
Common Stock	0					15
Preferred Stock	0					16
Short-Term Debt	(76,455)	(72,481)	(119,029)	(35,139)	(107,092)	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(113,250)</u>	<u>(165,153)</u>	<u>(265,801)</u>	<u>(175,103)</u>	<u>(278,337)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(433,718)	453,170	(17,660)	(857)	(7,469)	21
Cash & Equivalents at Beginning of Year	514,299	61,129	78,789	79,646	87,115	22
Cash & Equivalents at End of Year	\$80,581	\$514,299	\$61,129	\$78,789	\$79,646	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,362,270	\$2,477,811	\$2,417,421	\$2,604,165	\$2,869,205
2 Access Lines	2,515	2,605	2,707	2,861	2,973

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,043,650	\$979,537	\$969,583	\$1,008,106	\$1,048,800
4 Depreciation and Amortization	361,140	744,483	724,483	664,108	662,117
5 Other Operations Expense	809,872	839,963	546,240	816,761	774,740
6 Total Operation Expenses	2,214,662	2,563,983	2,240,306	2,488,975	2,485,657
7 Income Taxes - Operating Taxes	24,530	(69,100)	20,422	(5,108)	69,386
8 Other Taxes - Operating Taxes	103,256	122,236	130,466	141,410	152,487
9 Capital Costs	19,822	(139,308)	26,227	(21,112)	161,675
10 Total	\$2,362,270	\$2,477,811	\$2,417,421	\$2,604,165	\$2,869,205

PERCENT OF REVENUES

11 Wages and Benefits	44.2	39.5	40.1	38.7	36.6
12 Depreciation and Amortization	15.3	30.0	30.0	25.5	23.1
13 Other Operations Expense	34.3	33.9	22.6	31.4	27.0
14 Income Taxes - Operating Taxes	1.0	(2.8)	0.8	(0.2)	2.4
15 Other Taxes - Operating Taxes	4.4	4.9	5.4	5.4	5.3
16 Capital Costs	0.8	(5.6)	1.1	(0.8)	5.6
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	414.97	376.02	358.18	352.36	352.77
19 Depreciation and Amortization	143.59	285.79	267.63	232.12	222.71
20 Other Operations Expense	322.02	322.44	201.79	285.48	260.59
21 Income Taxes - Operating Taxes	9.75	(26.53)	7.54	(1.79)	23.34
22 Other Taxes - Operating Taxes	41.06	46.92	48.20	49.43	51.29
23 Capital Costs	7.88	(53.48)	9.69	(7.38)	54.38
24 Total	939.27	951.18	893.03	910.23	965.09

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,051,712	\$3,007,388	\$2,996,545	\$2,995,192	\$3,002,089	1
Central Office Assets	5,579,640	5,521,648	5,671,008	5,669,095	5,672,046	2
Information Origination/Termination	35,127	35,127	35,127	35,127	35,127	3
Cable And Wire Facilities	6,156,512	6,048,877	5,998,651	5,932,583	5,890,723	4
Amortizable Assets	140,687	140,687	140,687	140,687	140,687	5
Total Plant In Service	14,963,678	14,753,727	14,842,018	14,772,684	14,740,672	6
Property Held For Future Use						7
Plant Under Construction	11,042	14,830	44,885	8,200	19,823	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	15,010,554	14,804,391	14,922,737	14,816,718	14,796,329	13
Less Acc. Prov. For Depreciation & Amort.	12,161,552	11,788,509	11,303,711	10,594,616	9,962,878	14
Net Total Utility Plant	\$2,849,002	\$3,015,882	\$3,619,026	\$4,222,102	\$4,833,451	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	17.37	21.71	7.44	3.96	3.87	16
Total Capitalization	\$5,786,806	\$5,968,918	\$6,003,446	\$6,305,602	\$6,936,318	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.6%	1.1%	1.6%	2.9%	4.7%	18
Preferred Stock	2.2%	2.2%	2.2%	2.1%	1.9%	19
Common Stock & Retained Earnings	96.3%	94.6%	92.0%	88.3%	86.9%	20
Short-Term Debt	0.9%	2.1%	4.2%	6.8%	6.6%	21
Pretax Coverage of Interest Expense	11.45	-38.49	-0.75	-14.77	-6.16	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-1.3%	2.2%	-0.8%	-7.8%	-6.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-30.1%	412.2%	224.3%	124.0%	260.9%	25
CWIP as a % of Plant	0.1%	0.1%	0.3%	0.1%	0.1%	26

Current Assets	4,248,520	4,084,512	4,176,949	4,594,373	3,908,917
Current Liabilities	244,607	188,116	561,149	1,161,402	1,009,292
Total Capitalization	5,786,806	5,968,918	6,003,446	6,305,602	6,936,318
Long-Term Debt	34,315	66,154	96,441	182,621	322,906
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,570,852	5,646,214	5,522,089	5,564,944	6,027,057
Short-Term Debt	51,639	126,550	254,916	428,037	456,355
Pretax Income	(50,912)	61,509	(6,404)	(418,290)	(292,156)
Interest Expense	(4,445)	(1,598)	8,557	28,321	47,458
Common Dividends Paid	0				
Net Income (Excl. Preferred Stock Dividends)	(75,362)	124,816	(42,552)	(453,273)	(406,861)
Internal Cash	(79,566)	805,948	419,295	164,636	415,878
Cash Outflows for Construction	(264,321)	(195,518)	(186,976)	(132,720)	(159,429)
CWIP	11,042	14,830	44,885	8,200	19,823
Total Plant	15,010,554	14,804,391	14,922,737	14,816,718	14,796,329
Shares Outstanding	140	140	140	140	140
Number of Employees	14	15	15	17	17

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$116,651	\$223,354	(\$1,192)	\$126,898	\$159,574	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	389,482	411,686	460,912	503,498	459,608	2
Changes in Deferred Income Taxes	(137,528)	103,448	(68,188)	(42,051)	(275,008)	3
Changes in Working Capital	(126,796)	(119,843)	(152,870)	320,154	(127,636)	4
Capitalized AFDC - Equity						5
Other	(109,373)	(617,892)	(12,527)	(174,047)	(127,654)	6
Total Non-Cash Items	15,785	(222,601)	227,327	607,554	(70,691)	7
Net Cash Provided From Operating Activities	<u>132,436</u>	<u>753</u>	<u>226,135</u>	<u>734,453</u>	<u>88,883</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(84,328)	(2,247)	(221,046)	(458,576)	(460,165)	9
Purchase of Other Investments						10
Sale of Other Investments	290	11,952	5,489	46,829	5,250	11
Other	(48,740)	(49,957)	(45,351)	(54,218)	178,808	12
Net Cash Provided From Investing Activities	<u>(132,778)</u>	<u>(40,251)</u>	<u>(260,908)</u>	<u>(465,965)</u>	<u>(276,107)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(240,424)	(238,198)	(227,888)	(217,712)	177,000	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	222,891	264,507	203,824	(105,996)	(433)	17
Dividends Paid					(4,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(17,533)</u>	<u>26,309</u>	<u>(24,064)</u>	<u>(323,708)</u>	<u>172,567</u>	20
Net Increase (Decrease) in Cash & Equivalents	(17,875)	(13,190)	(58,837)	(55,220)	(14,656)	21
Cash & Equivalents at Beginning of Year	41,470	54,659	113,496	168,716	183,372	22
Cash & Equivalents at End of Year	\$23,595	\$41,470	\$54,659	\$113,496	\$168,716	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,526,039	\$1,637,803	\$1,624,369	\$1,840,455	\$2,088,021
2 Access Lines	768	853	917	1,040	1,564
DOLLAR AMOUNTS					
3 Wages and Benefits	\$625,055	\$674,278	\$750,750	\$771,393	\$860,400
4 Depreciation and Amortization	334,806	354,232	408,809	451,396	454,800
5 Other Operations Expense	534,787	611,036	572,033	636,610	834,478
6 Total Operation Expenses	1,494,648	1,639,547	173,259	1,859,398	2,149,678
7 Income Taxes - Operating Taxes	(155,271)	(107,148)	(149,632)	(82,192)	(134,030)
8 Other Taxes - Operating Taxes	86,498	80,650	95,954	154,190	124,650
9 Capital Costs	100,165	24,754	1,504,787	(90,941)	(52,277)
10 Total	\$1,526,039	\$1,637,803	\$1,624,369	\$1,840,455	\$2,088,021
PERCENT OF REVENUES					
11 Wages and Benefits	41.0	41.2	46.2	41.9	41.2
12 Depreciation and Amortization	21.9	21.6	25.2	24.5	21.8
13 Other Operations Expense	35.0	37.3	35.2	34.6	40.0
14 Income Taxes - Operating Taxes	(10.2)	(6.5)	(9.2)	(4.5)	(6.4)
15 Other Taxes - Operating Taxes	5.7	4.9	5.9	8.4	6.0
16 Capital Costs	6.6	1.5	92.6	(4.9)	(2.5)
17 Total	100.0	100.0	195.9	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	813.87	790.48	818.70	741.72	550.13
19 Depreciation and Amortization	435.95	415.28	445.81	434.03	290.79
20 Other Operations Expense	696.34	716.34	623.81	612.13	533.55
21 Income Taxes - Operating Taxes	(202.18)	(125.61)	(163.18)	(79.03)	(85.70)
22 Other Taxes - Operating Taxes	112.63	94.55	104.64	148.26	79.70
23 Capital Costs	130.42	29.02	1,640.99	(87.44)	(33.43)
24 Total	1,987.03	1,920.05	3,470.78	1,769.67	1,335.05

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,955,319	\$1,940,766	\$1,995,323	\$1,983,368	\$1,977,781	1
Central Office Assets	2,837,748	2,765,648	2,761,768	2,711,264	2,395,508	2
Information Origination/Termination	107,830	107,830	107,830	107,830	107,830	3
Cable And Wire Facilities	4,546,199	4,542,169	4,526,384	4,490,833	4,383,283	4
Amortizable Assets	214	214	214	214	214	5
Total Plant In Service	9,447,310	9,356,629	9,391,519	9,293,509	8,864,616	6
Property Held For Future Use						7
Plant Under Construction	1,840	8,349	34,471	13,429	43,311	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,449,151	9,364,978	9,425,990	9,306,939	8,907,927	13
Less Acc. Prov. For Depreciation & Amort.	6,408,462	6,023,550	5,667,980	5,308,379	4,813,494	14
Net Total Utility Plant	\$3,040,689	\$3,341,428	\$3,758,010	\$3,998,560	\$4,094,433	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.39	5.73	68.79	-26.19	39.33	16
Total Capitalization	\$9,565,078	\$9,492,314	\$8,537,939	\$8,564,182	\$8,761,244	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	25.9%	28.6%	34.6%	37.2%	38.8%	18
Preferred Stock	0.2%	0.2%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	66.5%	66.0%	62.5%	62.4%	59.5%	20
Short-Term Debt	7.4%	5.1%	2.6%	0.2%	1.4%	21
Pretax Coverage of Interest Expense	0.83	1.79	0.14	1.32	1.18	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.8%	3.8%	0.0%	2.4%	3.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	157.0%	33.5%	102.3%	160.2%	19.3%	25
CWIP as a % of Plant	0.0%	0.1%	0.4%	0.1%	0.5%	26

Current Assets	1,618,631	1,651,830	1,456,480	1,416,711	1,779,244
Current Liabilities	368,955	288,044	21,173	(54,089)	45,233
Total Capitalization	9,565,078	9,492,314	8,537,939	8,564,182	8,761,244
Long-Term Debt	2,475,716	2,716,140	2,954,338	3,182,227	3,399,939
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,356,927	6,266,629	5,338,563	5,340,741	5,214,096
Short-Term Debt	709,436	486,544	222,038	18,213	124,209
Pretax Income	134,459	290,238	22,033	234,134	217,350
Interest Expense	162,945	162,011	161,793	177,564	184,171
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	116,651	223,354	(1,192)	126,898	159,574
Internal Cash	132,436	753	226,135	734,453	88,883
Cash Outflows for Construction	(84,328)	(2,247)	(221,046)	(458,576)	(460,165)
CWIP	1,840	8,349	34,471	13,429	43,311
Total Plant	9,449,151	9,364,978	9,425,992	9,306,939	8,907,927
Shares Outstanding	420	420	420	420	420
Number of Employees	23	21	21	24	26

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$18,518,465	\$28,714,224	\$32,540,890	\$37,390,680	\$51,656,868	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	40,921,783	39,313,359	40,400,175	39,334,183	38,865,922	2
Changes in Deferred Income Taxes	(4,840,426)	4,047,708	4,047,708	4,047,708	5,363,627	3
Changes in Working Capital	(96,002,837)	101,459,964	5,249,892	3,775,839	2,427,491	4
Capitalized AFDC - Equity						5
Other	1,876,208	(691,565)	601,690	1,803,256	(531,074)	6
Total Non-Cash Items	(58,045,272)	144,129,466	50,299,465	48,960,985	46,125,966	7
Net Cash Provided From Operating Activities	(39,526,807)	172,843,690	82,840,355	86,351,665	97,782,834	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(10,965,476)	(10,805,846)	(13,714,699)	(17,583,549)	(17,538,747)	9
Purchase of Other Investments	50,492,403	(162,038,894)	180,919,372	181,528,636	59,192,667	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	39,526,927	(172,844,740)	167,204,673	163,945,087	41,653,920	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(250,000,000)	(250,000,000)	(140,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	0	0	(250,000,000)	(250,000,000)	(140,000,000)	20
Net Increase (Decrease) in Cash & Equivalents	120	(1,050)	45,028	296,752	(563,246)	21
Cash & Equivalents at Beginning of Year	(0)	1,050	(43,783)	(340,535)	222,711	22
Cash & Equivalents at End of Year	\$120	(\$0)	\$1,245	(\$43,783)	(\$340,535)	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$170,356,323	\$184,122,994	\$195,320,201	\$205,178,874	\$220,241,142
2 Access Lines	165,148	177,512	198,171	202,329	215,616
DOLLAR AMOUNTS					
3 Wages and Benefits	\$20,369,372	\$22,236,962	\$20,786,312	\$21,812,395	\$20,653,500
4 Depreciation and Amortization	41,461,059	41,477,939	40,400,175	39,334,183	38,865,922
5 Other Operations Expense	64,300,932	60,715,927	70,610,329	71,532,305	61,685,032
6 Total Operation Expenses	126,131,363	124,430,828	131,796,816	132,678,883	121,204,454
7 Income Taxes - Operating Taxes	2,656,398	8,374,307	10,245,354	11,713,801	21,127,099
8 Other Taxes - Operating Taxes	9,260,618	10,101,050	9,127,361	10,569,920	12,843,386
9 Capital Costs	32,307,943	41,216,809	44,150,671	50,216,270	65,066,203
10 Total	\$170,356,323	\$184,122,994	\$195,320,201	\$205,178,874	\$220,241,142
PERCENT OF REVENUES					
11 Wages and Benefits	12.0	12.1	10.6	10.6	9.4
12 Depreciation and Amortization	24.3	22.5	20.7	19.2	17.6
13 Other Operations Expense	37.7	33.0	36.2	34.9	28.0
14 Income Taxes - Operating Taxes	1.6	4.5	5.2	5.7	9.6
15 Other Taxes - Operating Taxes	5.4	5.5	4.7	5.2	5.8
16 Capital Costs	19.0	22.4	22.6	24.5	29.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	123.34	125.27	104.89	107.81	95.79
19 Depreciation and Amortization	251.05	233.66	203.87	194.41	180.26
20 Other Operations Expense	389.35	342.04	356.31	353.54	286.09
21 Income Taxes - Operating Taxes	16.08	47.18	51.70	57.89	97.98
22 Other Taxes - Operating Taxes	56.07	56.90	46.06	52.24	59.57
23 Capital Costs	195.63	232.19	222.79	248.19	301.77
24 Total	1,031.54	1,037.24	985.61	1,014.09	1,021.45

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,

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$69,108,427	\$71,134,268	\$72,224,348	\$69,942,722	\$68,934,571	1
Central Office Assets	427,380,329	421,460,283	416,602,900	410,300,131	402,782,446	2
Information Origination/Termination	16,904,910	16,772,747	16,580,951	16,386,214	16,173,000	3
Cable And Wire Facilities	518,398,431	511,445,650	503,186,182	494,164,717	484,857,670	4
Amortizable Assets	3,981,012	3,981,012	3,981,012	3,981,012	3,981,012	5
Total Plant In Service	1,035,773,110	1,024,793,960	1,012,575,393	994,774,796	976,728,699	6
Property Held For Future Use						7
Plant Under Construction	8,296,031	8,309,705	9,723,559	12,604,470	11,245,839	8
Tel. Acquisition	142,404,998	142,404,998	142,404,998	142,404,998	142,404,998	9
Other Plant						10
Nonoperating Plant	38,728	38,728	37,599	37,599	37,599	11
Goodwill						12
Total Telecommunications Plant	1,186,512,867	1,175,547,391	1,164,741,549	1,149,821,863	1,130,417,135	13
Less Acc. Prov. For Depreciation & Amort.	974,815,991	933,894,208	894,580,852	852,975,688	811,820,320	14
Net Total Utility Plant	\$211,696,876	\$241,653,183	\$270,160,697	\$296,846,175	\$318,596,815	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.93	0.37	1.08	1.30	1.46	16
Total Capitalization	(\$154,643,223)	(\$173,161,689)	(\$201,875,912)	\$15,583,195	\$228,192,518	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	15745.29	138730.62	560406.43	488576.07	1549527.41	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	768.3%	668.6%	271.0%	23
Return on Common Equity	-11.3%	-15.3%	-34.9%	30.7%	19.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-360.5%	1837.0%	787.2%	651.6%	704.8%	25
CWIP as a % of Plant	0.7%	0.7%	0.8%	1.1%	1.0%	26

Notes:

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

Current Assets	37,815,188	55,407,864	71,419,078	45,930,988	48,074,730
Current Liabilities	40,592,080	151,145,140	66,214,237	35,203,457	32,873,453
Total Capitalization	(154,643,223)	(173,161,689)	(201,875,912)	15,583,195	228,192,518
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(154,643,223)	(173,161,689)	(201,875,912)	15,583,195	228,192,518
Short-Term Debt					
Pretax Income	29,134,615	43,733,440	48,755,359	56,186,248	80,575,425
Interest Expense	1,850	315	87	115	52
Common Dividends Paid			250,000,000	250,000,000	140,000,000
Net Income (Excl. Preferred Stock Dividends)	18,518,465	28,714,224	32,540,897	37,390,679	51,656,865
Internal Cash	(39,526,807)	198,508,217	107,963,349	114,579,920	123,612,697
Cash Outflows for Construction	(10,965,476)	(10,805,846)	(13,714,699)	(17,583,549)	(17,538,747)
CWIP	8,296,031	8,309,704	9,723,559	12,604,470	11,245,839
Total Plant	1,186,512,867	1,175,547,391	1,164,741,549	1,149,821,863	1,130,417,135
Shares Outstanding	200	200			
Number of Employees	243	257	272	271	277

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$472,035)	\$51,824	\$20,154	(\$187,425)	(\$219,326)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	306,005	303,206	302,342	300,334	291,662	2
Changes in Deferred Income Taxes	146,523	(48,712)	603	2,990	(76,534)	3
Changes in Working Capital	188,437	(218,337)	(19,672)	(5,541)	184,558	4
Capitalized AFDC - Equity						5
Other	(15,213)	(74,320)	38,657	67,312	42,993	6
Total Non-Cash Items	625,752	(38,163)	321,930	365,095	442,679	7
Net Cash Provided From Operating Activities	<u>153,717</u>	<u>13,661</u>	<u>342,084</u>	<u>177,670</u>	<u>223,353</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(5,482)	4,675	(37,027)	(15,349)	(106,719)	9
Purchase of Other Investments	(1)	(135)				10
Sale of Other Investments			8,165	(123)		11
Other						12
Net Cash Provided From Investing Activities	<u>(5,483)</u>	<u>4,540</u>	<u>(28,862)</u>	<u>(15,472)</u>	<u>(106,719)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(164,847)	(156,547)	(190,050)	(157,249)	(160,766)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(6,926)	(1,753)	(1,816)	(541)	(633)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(171,773)</u>	<u>(158,300)</u>	<u>(191,866)</u>	<u>(157,790)</u>	<u>(161,399)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(23,539)	(140,099)	121,356	4,408	(44,765)	21
Cash & Equivalents at Beginning of Year	83,895	223,994	102,638	98,230	142,995	22
Cash & Equivalents at End of Year	\$60,356	\$83,895	\$223,994	\$102,638	\$98,230	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,305,729	\$1,493,357	\$1,581,295	\$1,536,275	\$1,415,870
2 Access Lines	748	818	780	819	862
DOLLAR AMOUNTS					
3 Wages and Benefits	\$719,917	\$616,944	\$592,794	\$700,298	\$740,607
4 Depreciation and Amortization	305,748	302,950	301,905	299,899	291,226
5 Other Operations Expense	511,885	504,070	486,605	492,250	461,630
6 Total Operation Expenses	1,537,550	1,423,964	1,381,304	1,492,447	1,493,462
7 Income Taxes - Operating Taxes	167,705	(42,863)	2,578	3,006	(71,421)
8 Other Taxes - Operating Taxes	52,014	49,425	62,515	69,237	72,289
9 Capital Costs	(451,540)	62,831	134,898	(28,415)	(78,460)
10 Total	\$1,305,729	\$1,493,357	\$1,581,295	\$1,536,275	\$1,415,870
PERCENT OF REVENUES					
11 Wages and Benefits	55.1	41.3	37.5	45.6	52.3
12 Depreciation and Amortization	23.4	20.3	19.1	19.5	20.6
13 Other Operations Expense	39.2	33.8	30.8	32.0	32.6
14 Income Taxes - Operating Taxes	12.8	(2.9)	0.2	0.2	(5.0)
15 Other Taxes - Operating Taxes	4.0	3.3	4.0	4.5	5.1
16 Capital Costs	(34.6)	4.2	8.5	(1.8)	(5.5)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	962.46	754.21	759.99	855.07	859.17
19 Depreciation and Amortization	408.75	370.35	387.06	366.18	337.85
20 Other Operations Expense	684.34	616.22	623.85	601.04	535.53
21 Income Taxes - Operating Taxes	224.20	(52.40)	3.31	3.67	(82.85)
22 Other Taxes - Operating Taxes	69.54	60.42	80.15	84.54	83.86
23 Capital Costs	(603.66)	76.81	172.95	(34.70)	(91.02)
24 Total	1,745.63	1,825.62	2,027.30	1,875.79	1,642.54

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,575,795	\$1,575,797	\$1,558,669	\$1,554,251	\$1,554,251	1
Central Office Assets	2,041,863	2,040,244	2,038,591	2,034,574	2,073,352	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	3,429,185	3,427,227	3,371,069	3,357,009	3,258,916	4
Amortizable Assets						5
Total Plant In Service	7,098,477	7,094,902	7,019,963	6,997,468	6,938,153	6
Property Held For Future Use						7
Plant Under Construction	21,504	14,438	89,632	78,059	114,570	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	7,119,981	7,109,341	7,109,595	7,075,527	7,052,723	13
Less Acc. Prov. For Depreciation & Amort.	5,398,046	5,092,298	4,790,957	4,484,663	4,193,212	14
Net Total Utility Plant	\$1,721,935	\$2,017,042	\$2,318,638	\$2,590,864	\$2,859,510	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.78	1.54	1.32	1.23	1.55	16
Total Capitalization	\$2,086,745	\$2,707,096	\$2,810,098	\$2,978,394	\$3,314,173	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	122.6%	100.6%	102.5%	103.0%	97.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	-22.6%	-0.8%	-2.8%	-3.4%	2.3%	20
Short-Term Debt		0.3%	0.3%	0.4%	0.3%	21
Pretax Coverage of Interest Expense	-2.11	1.02	1.13	-0.11	-0.70	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	177.9%	-103.9%	-22.6%	1546.1%	-119.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	3415.4%	-292.2%	923.9%	1157.5%	209.3%	25
CWIP as a % of Plant	0.3%	0.2%	1.3%	1.1%	1.6%	26

Current Assets	418,413	471,900	685,217	547,008	532,257
Current Liabilities	538,769	306,944	520,183	443,035	344,236
Total Capitalization	2,086,745	2,707,096	2,810,098	2,978,394	3,314,173
Long-Term Debt	2,557,569	2,722,420	2,878,967	3,069,017	3,226,266
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(470,825)	(22,250)	(77,548)	(101,117)	76,872
Short-Term Debt		6,926	8,679	10,495	11,036
Pretax Income	(297,295)	151,262	177,591	(18,467)	(121,336)
Interest Expense	141,225	148,150	156,834	165,968	174,525
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(438,519)	51,824	20,154	(187,425)	(219,326)
Internal Cash	187,233	13,661	342,084	177,670	223,353
Cash Outflows for Construction	(5,482)	4,675	(37,027)	(15,349)	(106,719)
CWIP	21,504	14,438	89,632	78,059	114,570
Total Plant	7,119,981	7,109,341	7,109,596	7,075,527	7,052,723
Shares Outstanding	243	243	243	243	243
Number of Employees	11	11	9	12	12

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$135,649	\$164,004	\$167,141	\$154,219	\$359,140	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	885,945	839,266	840,022	792,019	641,813	2
Changes in Deferred Income Taxes	27,174	69,400	118,077	94,001	87,494	3
Changes in Working Capital	(43,393)	355,186	(416,498)	(13,034)	(952,620)	4
Capitalized AFDC - Equity						5
Other	58,051	(49,867)	139,835	(146,946)	28,963	6
Total Non-Cash Items	927,777	1,213,985	681,436	726,040	(194,350)	7
Net Cash Provided From Operating Activities	<u>1,063,426</u>	<u>1,377,989</u>	<u>848,577</u>	<u>880,259</u>	<u>164,790</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(781,429)	(520,164)	(574,635)	(2,193,300)	(1,198,336)	9
Purchase of Other Investments	(10,505)	(10,505)	(10,506)	(10,506)	(10,506)	10
Sale of Other Investments	4,095	6,317	30,948	2,027	13,465	11
Other						12
Net Cash Provided From Investing Activities	<u>(787,839)</u>	<u>(524,352)</u>	<u>(554,193)</u>	<u>(2,201,779)</u>	<u>(1,195,377)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(7,164)	(66,183)	(203,680)	(188,950)	(175,504)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(79,200)	(138,600)	(138,600)	(138,600)	(138,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(86,364)</u>	<u>(204,783)</u>	<u>(342,280)</u>	<u>(327,550)</u>	<u>(314,104)</u>	20
Net Increase (Decrease) in Cash & Equivalents	189,223	648,854	(47,896)	(1,649,070)	(1,344,691)	21
Cash & Equivalents at Beginning of Year	1,561,100	912,246	960,142	2,609,211	3,953,902	22
Cash & Equivalents at End of Year	\$1,750,322	\$1,561,100	\$912,246	\$960,142	\$2,609,211	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$3,576,595	\$3,635,841	\$3,870,786	\$3,573,471	\$3,660,006
2 Access Lines	3,234	3,267	3,463	3,676	3,920
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,255,254	\$1,401,809	\$1,392,350	\$1,293,280	\$1,218,220
4 Depreciation and Amortization	885,946	839,021	839,283	791,281	641,075
5 Other Operations Expense	1,020,449	989,110	1,052,265	1,114,292	1,029,488
6 Total Operation Expenses	3,161,649	3,229,940	3,283,898	3,198,852	2,888,782
7 Income Taxes - Operating Taxes	40,751	53,290	103,288	72,534	201,889
8 Other Taxes - Operating Taxes	219,533	249,718	244,549	217,647	207,138
9 Capital Costs	154,662	102,892	239,051	84,437	362,197
10 Total	\$3,576,595	\$3,635,841	\$3,870,786	\$3,573,471	\$3,660,006
PERCENT OF REVENUES					
11 Wages and Benefits	35.1	38.6	36.0	36.2	33.3
12 Depreciation and Amortization	24.8	23.1	21.7	22.1	17.5
13 Other Operations Expense	28.5	27.2	27.2	31.2	28.1
14 Income Taxes - Operating Taxes	1.1	1.5	2.7	2.0	5.5
15 Other Taxes - Operating Taxes	6.1	6.9	6.3	6.1	5.7
16 Capital Costs	4.3	2.8	6.2	2.4	9.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	388.14	429.08	402.06	351.82	310.77
19 Depreciation and Amortization	273.95	256.82	242.36	215.26	163.54
20 Other Operations Expense	315.54	302.76	303.86	303.13	262.62
21 Income Taxes - Operating Taxes	12.60	16.31	29.83	19.73	51.50
22 Other Taxes - Operating Taxes	67.88	76.44	70.62	59.21	52.84
23 Capital Costs	47.82	31.49	69.03	22.97	92.40
24 Total	1,105.94	1,112.90	1,117.76	972.11	933.67

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,547,951	\$2,412,425	\$2,431,008	\$2,516,714	\$2,544,425	1
Central Office Assets	4,636,185	4,564,729	4,511,604	4,521,366	4,748,452	2
Information Origination/Termination	21,073	21,198	21,198	21,322	45,079	3
Cable And Wire Facilities	11,677,590	11,314,111	10,978,825	10,617,233	8,726,889	4
Amortizable Assets						5
Total Plant In Service	18,882,799	18,312,463	17,942,635	17,676,635	16,064,845	6
Property Held For Future Use						7
Plant Under Construction	85,767	17,148	27,256	53,080	250,925	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,968,566	18,329,611	17,969,891	17,729,715	16,315,770	13
Less Acc. Prov. For Depreciation & Amort.	11,270,616	10,409,129	9,629,730	8,996,691	8,833,557	14
Net Total Utility Plant	\$7,697,950	\$7,920,482	\$8,340,161	\$8,733,024	\$7,482,213	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	8.52	8.32	7.87	8.35	7.92	16
Total Capitalization	\$10,720,393	\$10,720,394	\$9,317,705	\$9,492,844	\$10,720,397	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.4%	0.5%	1.2%	3.3%	5.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.6%	99.5%	98.8%	96.7%	94.8%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-3.44	-4.42	-8.27	-13.74	31.38	22
Com. Stock Dividends as a % of Earnings	58.4%	84.5%	82.9%	89.9%	38.6%	23
Return on Common Equity	1.5%	1.8%	1.8%	1.7%	4.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	136.1%	264.9%	147.7%	40.1%	13.8%	25
CWIP as a % of Plant	0.5%	0.1%	0.2%	0.3%	1.5%	26

Current Assets	3,376,215	3,175,434	2,936,859	2,625,567	4,433,094
Current Liabilities	396,450	381,628	372,979	314,414	559,936
Total Capitalization	9,326,211	9,276,926	9,317,705	9,492,844	9,666,175
Long-Term Debt	38,502	45,666	111,849	315,529	504,479
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,287,709	9,231,260	9,205,856	9,177,315	9,161,696
Short-Term Debt					
Pretax Income	148,034	190,372	254,442	225,561	580,224
Interest Expense	(43,088)	(43,030)	(30,777)	(16,413)	18,492
Common Dividends Paid	79,200	138,600	138,600	138,600	138,600
Net Income (Excl. Preferred Stock Dividends)	135,649	164,004	167,141	154,219	359,140
Internal Cash	1,063,426	1,377,989	848,577	880,260	164,790
Cash Outflows for Construction	(781,429)	(520,164)	(574,635)	(2,193,300)	(1,198,336)
CWIP	85,767	17,148	27,256	53,080	250,925
Total Plant	18,968,566	18,329,611	17,969,891	17,729,715	16,315,770
Shares Outstanding	39,600	39,600	39,600	39,600	39,600
Number of Employees	21	24	24	23	21

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$66,788)	\$3,777	\$363,519	(\$186,931)	\$258,001	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	984,528	907,963	938,014	756,914	1,044,456	2
Changes in Deferred Income Taxes	(78,990)	82,387	(17,744)	129,146	(68,932)	3
Changes in Working Capital	843,963	(743,683)	182,325	59,117	(62,594)	4
Capitalized AFDC - Equity						5
Other	7,083	(308,870)	10,665	(98,332)	(76,364)	6
Total Non-Cash Items	1,756,584	(62,203)	1,113,260	846,845	836,566	7
Net Cash Provided From Operating Activities	<u>1,689,796</u>	<u>(58,426)</u>	<u>1,476,779</u>	<u>659,914</u>	<u>1,094,567</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(850,181)	(1,104,014)	(466,799)	(1,142,150)	(355,909)	9
Purchase of Other Investments						10
Sale of Other Investments	(10,838)	28,003	(13,368)	321,348	(10,758)	11
Other						12
Net Cash Provided From Investing Activities	<u>(861,019)</u>	<u>(1,076,011)</u>	<u>(480,167)</u>	<u>(820,802)</u>	<u>(366,667)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(200,000)	17
Dividends Paid					(14,067)	18
Other Financing		(262)	(6,072)	(14,846)		19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(262)</u>	<u>(6,072)</u>	<u>(14,846)</u>	<u>(214,067)</u>	20
Net Increase (Decrease) in Cash & Equivalents	828,777	(1,134,699)	990,540	(175,734)	513,833	21
Cash & Equivalents at Beginning of Year	1,588,800	2,723,499	1,732,959	1,908,693	1,394,860	22
Cash & Equivalents at End of Year	\$2,417,577	\$1,588,800	\$2,723,499	\$1,732,959	\$1,908,693	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,831,425	\$5,697,955	\$5,669,309	\$5,501,696	\$5,996,248
2 Access Lines	5,867	6,316	6,579	6,953	7,287
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,216,188	\$2,271,752	\$2,045,390	\$1,965,661	\$1,251,662
4 Depreciation and Amortization	984,528	907,964	938,015	756,914	1,044,456
5 Other Operations Expense	2,594,927	2,400,942	2,497,758	2,429,404	3,168,459
6 Total Operation Expenses	5,795,643	5,580,658	5,481,163	5,151,979	5,464,577
7 Income Taxes - Operating Taxes	(93,834)	(60,803)	(38,433)	16,694	80,278
8 Other Taxes - Operating Taxes	196,990	177,352	194,492	195,720	195,708
9 Capital Costs	(67,374)	748	32,087	137,303	255,685
10 Total	\$5,831,425	\$5,697,955	\$5,669,309	\$5,501,696	\$5,996,248
PERCENT OF REVENUES					
11 Wages and Benefits	38.0	39.9	36.1	35.7	20.9
12 Depreciation and Amortization	16.9	15.9	16.5	13.8	17.4
13 Other Operations Expense	44.5	42.1	44.1	44.2	52.8
14 Income Taxes - Operating Taxes	(1.6)	(1.1)	(0.7)	0.3	1.3
15 Other Taxes - Operating Taxes	3.4	3.1	3.4	3.6	3.3
16 Capital Costs	(1.2)	0.0	0.6	2.5	4.3
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	377.74	359.68	310.90	282.71	171.77
19 Depreciation and Amortization	167.81	143.76	142.58	108.86	143.33
20 Other Operations Expense	442.29	380.14	379.66	349.40	434.81
21 Income Taxes - Operating Taxes	(15.99)	(9.63)	(5.84)	2.40	11.02
22 Other Taxes - Operating Taxes	33.58	28.08	29.56	28.15	26.86
23 Capital Costs	(11.48)	0.12	4.88	19.75	35.09
24 Total	993.94	902.15	861.73	791.27	822.87

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,503,484	\$1,496,559	\$1,433,764	\$1,437,112	\$1,715,528	1
Central Office Assets	9,495,996	9,465,794	9,441,920	10,413,815	10,585,487	2
Information Origination/Termination	32,949	32,949	32,949	32,949	1,854	3
Cable And Wire Facilities	11,737,043	11,596,721	11,502,293	11,409,017	11,147,126	4
Amortizable Assets	330,612	252,698	125,431	218,308	238,960	5
Total Plant In Service	23,100,084	22,844,721	22,536,357	23,511,201	23,688,955	6
Property Held For Future Use						7
Plant Under Construction	841,872	533,699	150,422	94,450	56,139	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,941,956	23,378,420	22,686,779	23,605,651	23,745,094	13
Less Acc. Prov. For Depreciation & Amort.	16,881,206	16,194,160	15,670,568	16,131,593	16,334,925	14
Net Total Utility Plant	\$7,060,750	\$7,184,260	\$7,016,211	\$7,474,058	\$7,410,168	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.47	2.89	2.96	2.80	2.75	16
Total Capitalization	\$7,699,972	\$7,722,150	\$7,741,006	\$7,417,031	\$7,619,784	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.1%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.9%	99.7%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.1%	0.2%	21
Pretax Coverage of Interest Expense	-836.21	-272.61	1425.73	-472.17	214.90	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	77.5%	23
Return on Common Equity	-0.9%	0.0%	4.8%	-2.5%	3.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	198.8%	-5.3%	316.4%	57.8%	307.5%	25
CWIP as a % of Plant	3.5%	2.3%	0.7%	0.4%	0.2%	26

Current Assets	3,757,024	3,632,017	3,912,743	2,936,334	3,366,245
Current Liabilities	1,520,307	1,258,658	1,322,385	1,050,522	1,224,118
Total Capitalization	7,699,972	7,722,150	7,741,006	7,417,031	7,619,784
Long-Term Debt				262	6,334
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,699,972	7,722,150	7,740,744	7,410,697	7,598,604
Short-Term Debt			262	6,072	14,846
Pretax Income	(160,553)	(54,521)	500,430	(343,742)	340,185
Interest Expense	192	200	351	728	1,583
Common Dividends Paid					200,000
Net Income (Excl. Preferred Stock Dividends)	(66,788)	3,777	363,519	(186,931)	258,001
Internal Cash	1,689,796	(58,426)	1,476,779	659,915	1,094,567
Cash Outflows for Construction	(850,181)	(1,104,014)	(466,799)	(1,142,150)	(355,909)
CWIP	841,872	533,699	150,422	94,450	56,139
Total Plant	23,941,956	23,378,420	22,686,779	23,605,651	23,745,094
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	9	9	9	9	18

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$383,252)	(\$272,390)	(\$362,460)	(\$116,100)	\$1,329	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	699,245	689,100	701,377	669,988	709,013	2
Changes in Deferred Income Taxes	29,457	(87,930)	76,942	70,863	40,162	3
Changes in Working Capital	(59,126)	443,493	676,756	(360,742)	(107,411)	4
Capitalized AFDC - Equity						5
Other	(468,213)	(381,803)	(441,752)	(508,339)	(834,865)	6
Total Non-Cash Items	201,363	662,860	1,013,323	(128,230)	(193,101)	7
Net Cash Provided From Operating Activities	<u>(181,889)</u>	<u>390,470</u>	<u>650,863</u>	<u>(244,330)</u>	<u>(191,772)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(972,950)	(250,818)	(590,174)	(594,898)	(324,924)	9
Purchase of Other Investments	1,080,000	(75,000)	(1,645,000)	725,000	515,000	10
Sale of Other Investments	128,112	35,322	61,594	(1,475)	9,907	11
Other			1,580,336			12
Net Cash Provided From Investing Activities	<u>235,162</u>	<u>(290,496)</u>	<u>(593,244)</u>	<u>128,627</u>	<u>199,983</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(59,596)	(87,323)	(42,994)	91,997	(30,083)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(59,596)</u>	<u>(87,323)</u>	<u>(42,994)</u>	<u>91,997</u>	<u>(30,083)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(6,323)	12,651	14,625	(23,706)	(21,872)	21
Cash & Equivalents at Beginning of Year	134,807	122,156	107,531	131,237	153,109	22
Cash & Equivalents at End of Year	\$128,484	\$134,807	\$122,156	\$107,531	\$131,237	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,903,621	\$4,826,245	\$5,297,263	\$5,195,518	\$5,684,169
2 Access Lines	7,377	7,602	7,850	8,100	8,409

DOLLAR AMOUNTS

3 Wages and Benefits	\$2,480,683	\$2,323,778	\$2,228,922	\$2,303,213	\$2,384,220
4 Depreciation and Amortization	699,245	689,100	701,377	669,988	709,013
5 Other Operations Expense	2,254,139	2,171,499	2,528,490	2,365,596	2,548,233
6 Total Operation Expenses	5,434,067	5,184,377	5,458,789	5,338,797	5,641,466
7 Income Taxes - Operating Taxes	(296,584)	(254,360)	(218,979)	(232,924)	(165,899)
8 Other Taxes - Operating Taxes	296,531	311,740	315,063	298,608	333,532
9 Capital Costs	(530,393)	(415,512)	(257,610)	(208,963)	(124,930)
10 Total	\$4,903,621	\$4,826,245	\$5,297,263	\$5,195,518	\$5,684,169

PERCENT OF REVENUES

11 Wages and Benefits	50.6	48.1	42.1	44.3	41.9
12 Depreciation and Amortization	14.3	14.3	13.2	12.9	12.5
13 Other Operations Expense	46.0	45.0	47.7	45.5	44.8
14 Income Taxes - Operating Taxes	(6.0)	(5.3)	(4.1)	(4.5)	(2.9)
15 Other Taxes - Operating Taxes	6.0	6.5	5.9	5.7	5.9
16 Capital Costs	(10.8)	(8.6)	(4.9)	(4.0)	(2.2)
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	336.27	305.68	283.94	284.35	283.53
19 Depreciation and Amortization	94.79	90.65	89.35	82.71	84.32
20 Other Operations Expense	305.56	285.65	322.10	292.05	303.04
21 Income Taxes - Operating Taxes	(40.20)	(33.46)	(27.90)	(28.76)	(19.73)
22 Other Taxes - Operating Taxes	40.20	41.01	40.14	36.87	39.66
23 Capital Costs	(71.90)	(54.66)	(32.82)	(25.80)	(14.86)
24 Total	664.72	634.87	674.81	641.42	675.96

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,473,267	\$4,686,025	\$4,692,234	\$4,841,611	\$4,768,296	1
Central Office Assets	4,212,514	6,441,019	7,820,470	7,537,220	7,434,031	2
Information Origination/Termination	438,557	438,557	438,557	438,557	438,557	3
Cable And Wire Facilities	5,726,061	5,621,886	5,627,453	5,523,098	5,581,694	4
Amortizable Assets	123,862	123,862	103,127	103,127	103,127	5
Total Plant In Service	14,974,261	17,311,349	18,681,841	18,443,613	18,325,705	6
Property Held For Future Use						7
Plant Under Construction	56,213	83,613	78,636	183,580	46,320	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	15,030,474	17,394,962	18,760,477	18,627,193	18,372,025	13
Less Acc. Prov. For Depreciation & Amort.	11,980,004	14,490,084	15,381,995	15,075,916	14,747,133	14
Net Total Utility Plant	\$3,050,470	\$2,904,878	\$3,378,482	\$3,551,277	\$3,624,892	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.32	0.43	0.51	0.76	0.79	16
Total Capitalization	\$6,966,609	\$6,329,457	\$6,764,170	\$8,814,624	\$8,113,727	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.1%	0.2%	1.3%	1.6%	1.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	61.1%	73.3%	72.6%	59.8%	66.4%	20
Short-Term Debt	38.9%	26.5%	26.1%	38.5%	32.6%	21
Pretax Coverage of Interest Expense	-9.62	-6.03	-1.73	-0.62	-1.03	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-8.0%	-5.2%	-6.4%	-1.1%	-2.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-18.7%	155.7%	110.3%	-41.1%	-59.0%	25
CWIP as a % of Plant	0.4%	0.5%	0.4%	1.0%	0.3%	26

Current Assets	1,239,231	1,388,362	1,565,441	2,884,821	2,323,338
Current Liabilities	3,933,479	3,219,320	3,077,776	3,807,417	2,945,067
Total Capitalization	6,966,609	6,329,457	6,764,170	8,814,624	8,113,727
Long-Term Debt	3,555	15,621	88,475	144,429	81,964
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,254,244	4,637,496	4,909,886	5,272,346	5,388,446
Short-Term Debt	2,708,810	1,676,340	1,765,809	3,397,849	2,643,317
Pretax Income	(592,717)	(432,505)	(204,176)	(111,099)	(146,170)
Interest Expense	61,598	71,725	117,691	179,442	141,642
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(357,731)	(249,870)	(325,319)	(58,017)	(121,913)
Internal Cash	(181,889)	390,470	650,863	(244,331)	(191,772)
Cash Outflows for Construction	(972,950)	(250,818)	(590,174)	(594,898)	(324,924)
CWIP	56,213	83,613	78,636	183,580	46,320
Total Plant	15,030,474	17,394,962	18,760,477	18,627,193	18,372,025
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	72	79	82	70	57

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$109,433)	(\$182,651)	\$81,410	(\$214,019)	(\$11,643)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	591,825	584,563	582,860	502,669	565,630	2
Changes in Deferred Income Taxes	(104,470)	(17,477)	(46,768)	(5,724)	(54,994)	3
Changes in Working Capital	137,760	(17,153)	45,013	53,250	138,032	4
Capitalized AFDC - Equity						5
Other	(8,240)	12,144	58,387	39,688	97,460	6
Total Non-Cash Items	616,875	562,077	639,492	589,883	746,128	7
Net Cash Provided From Operating Activities	<u>507,442</u>	<u>379,426</u>	<u>720,902</u>	<u>375,864</u>	<u>734,485</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(211,509)	(262,518)	(223,670)	(277,340)	(292,075)	9
Purchase of Other Investments						10
Sale of Other Investments	6,966	(7,105)	(12,797)	70,034	(2,520)	11
Other						12
Net Cash Provided From Investing Activities	<u>(204,543)</u>	<u>(269,623)</u>	<u>(236,467)</u>	<u>(207,306)</u>	<u>(294,595)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(768,000)	(167,000)		18
Other Financing			(1,867)	(3,733)	(11,503)	19
Net Cash Provided From Financing Activities			<u>(769,867)</u>	<u>(170,733)</u>	<u>(11,503)</u>	20
Net Increase (Decrease) in Cash & Equivalents	302,899	109,803	(285,432)	(2,175)	428,387	21
Cash & Equivalents at Beginning of Year	1,821,733	1,711,930	1,997,362	1,999,537	1,571,150	22
Cash & Equivalents at End of Year	\$2,124,632	\$1,821,733	\$1,711,930	\$1,997,362	\$1,999,537	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,053,833	\$2,140,089	\$2,150,019	\$2,173,686	\$2,257,915
2 Access Lines	1,634	1,714	1,765	1,807	1,961
DOLLAR AMOUNTS					
3 Wages and Benefits	\$574,284	\$600,598	\$524,163	\$527,322	\$363,889
4 Depreciation and Amortization	591,825	584,563	582,860	502,669	565,631
5 Other Operations Expense	879,446	1,029,726	971,651	986,014	1,073,969
6 Total Operation Expenses	2,045,555	2,214,887	2,078,674	2,016,005	2,003,489
7 Income Taxes - Operating Taxes	(59,496)	(99,997)	(56,533)	(30,196)	(11,162)
8 Other Taxes - Operating Taxes	136,259	145,019	168,313	167,758	174,037
9 Capital Costs	(68,485)	(119,820)	(40,435)	20,119	91,551
10 Total	\$2,053,833	\$2,140,089	\$2,150,019	\$2,173,686	\$2,257,915
PERCENT OF REVENUES					
11 Wages and Benefits	28.0	28.1	24.4	24.3	16.1
12 Depreciation and Amortization	28.8	27.3	27.1	23.1	25.1
13 Other Operations Expense	42.8	48.1	45.2	45.4	47.6
14 Income Taxes - Operating Taxes	(2.9)	(4.7)	(2.6)	(1.4)	(0.5)
15 Other Taxes - Operating Taxes	6.6	6.8	7.8	7.7	7.7
16 Capital Costs	(3.3)	(5.6)	(1.9)	0.9	4.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	351.46	350.41	296.98	291.82	185.56
19 Depreciation and Amortization	362.19	341.05	330.23	278.18	288.44
20 Other Operations Expense	538.22	600.77	550.51	545.66	547.66
21 Income Taxes - Operating Taxes	(36.41)	(58.34)	(32.03)	(16.71)	(5.69)
22 Other Taxes - Operating Taxes	83.39	84.61	95.36	92.84	88.75
23 Capital Costs	(41.91)	(69.91)	(22.91)	11.13	46.69
24 Total	1,256.94	1,248.59	1,218.14	1,202.93	1,151.41

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$897,542	\$822,441	\$847,838	\$824,218	\$830,136	1
Central Office Assets	3,230,885	3,234,985	3,154,620	3,094,225	2,974,234	2
Information Origination/Termination	22,362	22,362	22,362	22,362		3
Cable And Wire Facilities	7,100,180	7,082,387	6,994,983	6,918,543	6,811,823	4
Amortizable Assets	86,884	66,601	31,880	52,604	70,791	5
Total Plant In Service	11,337,853	11,228,776	11,051,683	10,911,952	10,686,984	6
Property Held For Future Use						7
Plant Under Construction	46,559	18,768	45,632	10,991	23,303	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,384,412	11,247,544	11,097,315	10,922,943	10,710,287	13
Less Acc. Prov. For Depreciation & Amort.	9,902,623	9,378,473	8,913,303	8,392,538	7,884,519	14
Net Total Utility Plant	\$1,481,789	\$1,869,071	\$2,184,012	\$2,530,405	\$2,825,768	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.80	7.03	5.99	7.89	6.75	16
Total Capitalization	\$1,339,705	\$1,415,449	\$1,597,503	\$2,291,756	\$2,677,380	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt					0.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.9%	99.8%	20
Short-Term Debt				0.1%	0.1%	21
Pretax Coverage of Interest Expense	-2.98	(3.22)	2.98	(3.29)	0.85	22
Com. Stock Dividends as a % of Earnings			-943.4%	-78.0%		23
Return on Common Equity	-7.9%	-12.1%	-4.2%	-8.6%	-0.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	239.9%	144.5%	322.3%	135.5%	251.5%	25
CWIP as a % of Plant	0.4%	0.2%	0.4%	0.1%	0.2%	26

Current Assets	2,437,181	2,145,511	2,034,149	2,346,559	2,467,255
Current Liabilities	420,394	305,000	339,697	297,563	365,578
Total Capitalization	1,339,705	1,415,449	1,597,503	2,291,756	2,677,380
Long-Term Debt					1,867
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,339,705	1,415,449	1,597,503	2,289,889	2,671,780
Short-Term Debt				1,867	3,733
Pretax Income	(126,014)	(214,157)	188,918	(252,418)	96,829
Interest Expense	42,227	66,487	63,364	76,633	114,390
Common Dividends Paid			768,000	167,000	
Net Income (Excl. Preferred Stock Dividends)	(109,433)	(182,651)	(81,410)	(214,019)	(11,643)
Internal Cash	507,442	379,426	720,902	375,864	734,485
Cash Outflows for Construction	(211,509)	(262,518)	(223,670)	(277,340)	(292,075)
CWIP	46,559	18,768	45,632	10,991	23,303
Total Plant	11,384,412	11,247,544	11,097,315	10,922,943	10,710,287
Shares Outstanding	676	676	676	676	676
Number of Employees	3	3	3	3	5

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$235,021)	\$396,539	\$750,189	\$583,901	(\$318,106)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,207,385	1,146,120	1,143,796	1,244,591	1,216,993	2
Changes in Deferred Income Taxes	(6,627)	62,814	172,872	51,466	79,623	3
Changes in Working Capital	553,456	(374,884)	362,898	477,181	(96,549)	4
Capitalized AFDC - Equity						5
Other	(192,619)	(696,976)	(1,215,638)	(935,566)	228,730	6
Total Non-Cash Items	1,561,595	137,074	463,928	837,672	1,428,797	7
Net Cash Provided From Operating Activities	<u>1,326,574</u>	<u>533,613</u>	<u>1,214,117</u>	<u>1,421,573</u>	<u>1,110,691</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,007,876)	(989,911)	(570,237)	(830,756)	(889,559)	9
Purchase of Other Investments	(401,751)	(138,475)	(1,179,247)	(1,200,164)		10
Sale of Other Investments	380,610	102,709	1,086,376	989,704	20,758	11
Other	(31,978)	(31,978)	(31,978)	(31,978)		12
Net Cash Provided From Investing Activities	<u>(1,060,995)</u>	<u>(1,057,655)</u>	<u>(695,086)</u>	<u>(1,073,194)</u>	<u>(868,801)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(94,072)	(126,198)	(30,741)	(28,880)	(118,315)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(8,391)					19
Net Cash Provided From Financing Activities	<u>(102,463)</u>	<u>(126,198)</u>	<u>(30,741)</u>	<u>(28,880)</u>	<u>(118,315)</u>	20
Net Increase (Decrease) in Cash & Equivalents	163,116	(650,240)	488,290	319,499	123,575	21
Cash & Equivalents at Beginning of Year	836,695	1,486,935	998,645	679,146	555,571	22
Cash & Equivalents at End of Year	\$999,811	\$836,695	\$1,486,935	\$998,645	\$679,146	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,269,433	\$4,305,355	\$4,846,471	\$4,456,310	\$4,746,544
2 Access Lines	4,525	4,763	5,081	5,400	5,725
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,926,039	\$1,698,155	\$1,967,131	\$1,892,763	\$1,801,623
4 Depreciation and Amortization	1,207,385	1,146,120	1,143,797	1,244,591	1,209,136
5 Other Operations Expense	1,587,652	1,204,806	1,504,398	1,317,031	1,473,699
6 Total Operation Expenses	4,721,076	4,049,081	4,615,326	4,454,385	4,484,458
7 Income Taxes - Operating Taxes	(152,339)	89,220	46,420	(105,757)	(63,602)
8 Other Taxes - Operating Taxes	219,402	185,524	261,271	295,208	300,975
9 Capital Costs	(518,706)	(18,470)	(76,546)	(187,526)	24,713
10 Total	\$4,269,433	\$4,305,355	\$4,846,471	\$4,456,310	\$4,746,544
PERCENT OF REVENUES					
11 Wages and Benefits	45.1	39.4	40.6	42.5	38.0
12 Depreciation and Amortization	28.3	26.6	23.6	27.9	25.5
13 Other Operations Expense	37.2	28.0	31.0	29.6	31.0
14 Income Taxes - Operating Taxes	(3.6)	2.1	1.0	(2.4)	(1.3)
15 Other Taxes - Operating Taxes	5.1	4.3	5.4	6.6	6.3
16 Capital Costs	(12.1)	(0.4)	(1.6)	(4.2)	0.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	425.64	356.53	387.15	350.51	314.69
19 Depreciation and Amortization	266.83	240.63	225.11	230.48	211.20
20 Other Operations Expense	350.86	252.95	296.08	243.89	257.41
21 Income Taxes - Operating Taxes	(33.67)	18.73	9.14	(19.58)	(11.11)
22 Other Taxes - Operating Taxes	48.49	38.95	51.42	54.67	52.57
23 Capital Costs	(114.63)	(3.88)	(15.07)	(34.73)	4.32
24 Total	943.52	903.92	953.84	825.24	829.09

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$6,079,642	\$6,334,461	\$6,481,945	\$6,513,732	\$6,531,408	1
Central Office Assets	10,004,011	9,879,607	9,737,634	9,509,907	9,349,198	2
Information Origination/Termination	89,093	116,606	116,255	107,225	101,922	3
Cable And Wire Facilities	16,998,396	16,677,376	16,299,400	16,051,903	15,614,536	4
Amortizable Assets	264	264	264	264	264	5
Total Plant In Service	33,171,406	33,008,314	32,635,498	32,183,031	31,597,328	6
Property Held For Future Use						7
Plant Under Construction	270,452	287,362	160,693	352,062	285,137	8
Tel. Acquisition	142,838	142,838	142,838	142,838	417,821	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	33,584,696	33,438,514	32,939,029	32,677,931	32,300,286	13
Less Acc. Prov. For Depreciation & Amort.	21,988,103	21,285,144	20,567,904	19,704,497	18,897,880	14
Net Total Utility Plant	\$11,596,593	\$12,153,370	\$12,371,125	\$12,973,434	\$13,402,406	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.08	-630.32	9.71	-34.11	-7.08	16
Total Capitalization	\$22,738,949	\$22,919,621	\$22,266,528	\$21,423,870	\$21,088,011	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.1%	1.5%	1.0%	0.8%	0.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.9%	98.5%	99.0%	99.2%	99.1%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-25.05	79.42	49.90	23.71	-6.51	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-1.0%	1.8%	3.5%	2.8%	-1.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	131.6%	53.9%	212.9%	171.1%	124.9%	25
CWIP as a % of Plant	0.8%	0.9%	0.5%	1.1%	0.9%	26

Current Assets	2,977,761	2,615,811	3,335,617	2,793,679	2,782,278
Current Liabilities	586,279	(4,150)	343,422	(81,893)	(392,767)
Total Capitalization	22,738,949	22,919,621	22,266,528	21,423,870	21,088,011
Long-Term Debt	245,526	338,074	223,717	172,691	185,819
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	22,493,423	22,581,547	22,042,811	21,251,179	20,902,192
Short-Term Debt					
Pretax Income	(424,322)	371,993	1,003,262	686,007	(416,760)
Interest Expense	16,938	4,684	20,104	28,930	64,044
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(235,021)	396,539	750,189	583,901	(318,106)
Internal Cash	1,326,574	533,613	1,214,117	1,421,573	1,110,691
Cash Outflows for Construction	(1,007,876)	(989,911)	(570,237)	(830,756)	(889,559)
CWIP	270,452	287,362	160,693	352,062	285,137
Total Plant	33,584,696	33,438,514	32,939,029	32,677,931	32,300,286
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	43	43	43	57	55

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$75,875	\$33,849	(\$46,050)	(\$31,998)	(\$7,541)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	98,637	99,393	123,647	124,197	125,686	2
Changes in Deferred Income Taxes	(1,939)	5,947	(18,032)	13,705	(2,216)	3
Changes in Working Capital	60,575	(98,984)	33,455	(7,583)	(9,507)	4
Capitalized AFDC - Equity						5
Other	(42,504)	105,356	63,886	46,170	20,351	6
Total Non-Cash Items	114,769	111,712	202,956	176,489	134,314	7
Net Cash Provided From Operating Activities	<u>190,644</u>	<u>145,561</u>	<u>156,906</u>	<u>144,491</u>	<u>126,773</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(59,629)	(35,702)	(32,192)	(53,185)	(61,478)	9
Purchase of Other Investments		80,000	12,908	(26,446)	33,038	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(59,629)</u>	<u>44,298</u>	<u>(19,284)</u>	<u>(79,631)</u>	<u>(28,440)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(31,404)	(40,549)	(33,784)	(31,405)	(29,505)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(113,753)	(167,074)	(9,645)	(13,378)	(45,349)	19
Net Cash Provided From Financing Activities	<u>(145,157)</u>	<u>(207,623)</u>	<u>(43,429)</u>	<u>(44,783)</u>	<u>(74,854)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(14,142)	(17,764)	94,193	20,077	23,479	21
Cash & Equivalents at Beginning of Year	222,222	239,986	145,793	125,716	102,237	22
Cash & Equivalents at End of Year	\$208,080	\$222,222	\$239,986	\$145,793	\$125,716	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,216,259	\$1,219,273	\$1,359,577	\$1,481,595	\$1,523,616
2 Access Lines	924	932	944	954	969
DOLLAR AMOUNTS					
3 Wages and Benefits	\$435,177	\$372,527	\$456,326	\$435,021	\$418,137
4 Depreciation and Amortization	98,637	99,393	123,647	124,197	125,686
5 Other Operations Expense	558,003	657,267	784,385	880,042	899,771
6 Total Operation Expenses	1,091,817	1,129,187	1,364,358	1,439,260	1,443,594
7 Income Taxes - Operating Taxes	46,066	51,407	70,212	68,435	57,988
8 Other Taxes - Operating Taxes					
9 Capital Costs	78,376	38,679	(74,993)	(26,100)	22,034
10 Total	\$1,216,259	\$1,219,273	\$1,359,577	\$1,481,595	\$1,523,616
PERCENT OF REVENUES					
11 Wages and Benefits	35.8	30.6	33.6	29.4	27.4
12 Depreciation and Amortization	8.1	8.2	9.1	8.4	8.2
13 Other Operations Expense	45.9	53.9	57.7	59.4	59.1
14 Income Taxes - Operating Taxes	3.8	4.2	5.2	4.6	3.8
15 Other Taxes - Operating Taxes					
16 Capital Costs	6.4	3.2	(5.5)	(1.8)	1.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	470.97	399.71	483.40	456.00	431.51
19 Depreciation and Amortization	106.75	106.64	130.98	130.19	129.71
20 Other Operations Expense	603.90	705.22	830.92	922.48	928.56
21 Income Taxes - Operating Taxes	49.85	55.16	74.38	71.73	59.84
22 Other Taxes - Operating Taxes					
23 Capital Costs	84.82	41.50	(79.44)	(27.36)	22.74
24 Total	1,316.30	1,308.23	1,440.23	1,553.03	1,572.36

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$254,028	\$254,029	\$254,029	\$259,436	\$259,436	1
Central Office Assets	1,185,755	1,134,624	1,098,924	1,087,788	1,034,758	2
Information Origination/Termination						3
Cable And Wire Facilities	1,113,082	1,113,083	1,113,083	1,107,875	1,107,720	4
Amortizable Assets	51,675	43,175	43,175	43,175	43,175	5
Total Plant In Service	2,604,540	2,544,911	2,509,211	2,498,274	2,445,089	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	2,604,540	2,544,911	2,509,211	2,498,274	2,445,089	13
Less Acc. Prov. For Depreciation & Amort.	1,803,817	1,723,490	1,642,407	1,556,090	1,451,918	14
Net Total Utility Plant	\$800,723	\$821,421	\$866,804	\$942,184	\$993,171	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.63	5.41	5.54	4.80	3.70	16
Total Capitalization	\$1,606,299	\$1,548,993	\$1,543,414	\$1,599,873	\$1,652,921	17
<u>Percent Of Capitalization (Incl. S-T Debt)</u>						
Long-Term Debt		1.2%	3.0%	3.6%	4.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	98.8%	97.0%	96.4%	95.3%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	18.02	6.61	-6.37	-0.86	0.32	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	4.8%	2.2%	-5.4%	-2.1%	-0.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	319.7%	407.7%	375.4%	271.7%	206.2%	25
CWIP as a % of Plant						26

Current Assets	399,821	385,256	412,020	375,724	361,028
Current Liabilities	110,087	71,209	74,385	78,325	97,670
Total Capitalization	1,606,299	1,548,993	1,543,414	1,599,873	1,652,921
Long-Term Debt		18,569	46,840	57,249	78,299
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,606,299	1,530,424	1,496,574	1,542,624	1,574,622
Short-Term Debt					
Pretax Income	78,279	46,884	(55,388)	(8,440)	4,537
Interest Expense	4,343	7,088	8,694	9,853	14,294
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	75,875	33,849	(82,114)	(31,998)	(7,541)
Internal Cash	190,644	145,561	120,842	144,491	126,773
Cash Outflows for Construction	(59,629)	(35,702)	(32,192)	(53,185)	(61,478)
CWIP					
Total Plant	2,604,540	2,544,913	2,509,211	2,498,274	2,445,089
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees			5	5	5

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$938,099	\$944,084	\$946,958	\$865,786	\$1,064,849	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	678,035	793,103	914,375	\$968,427	948,489	2
Changes in Deferred Income Taxes	274,731	(183,012)	(183,012)	(183,012)	(16,724)	3
Changes in Working Capital	(1,746,633)	1,178,763	411,805	150,974	893,293	4
Capitalized AFDC - Equity						5
Other	(449,684)	(137,718)	(219,541)	(80,311)	58,204	6
Total Non-Cash Items	(1,243,552)	1,651,136	923,627	856,078	1,883,262	7
Net Cash Provided From Operating Activities	<u>(305,453)</u>	<u>2,595,220</u>	<u>1,870,585</u>	<u>1,721,864</u>	<u>2,948,112</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(146,082)	(280,342)	(195,570)	(288,477)	(368,353)	9
Purchase of Other Investments	451,536	(2,314,879)	474,324	598,042	(2,512,536)	10
Sale of Other Investments						11
Other			(147,984)	(30,192)	12,792	12
Net Cash Provided From Investing Activities	<u>305,453</u>	<u>(2,595,221)</u>	<u>130,770</u>	<u>279,373</u>	<u>(2,868,097)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(2,000,000)	(2,000,000)		18
Other Financing						19
Net Cash Provided From Financing Activities			<u>(2,000,000)</u>	<u>(2,000,000)</u>		20
Net Increase (Decrease) in Cash & Equivalents	0	(0)	1,355	1,237	80,014	21
Cash & Equivalents at Beginning of Year	(0)	0	(1,355)	(2,592)	(82,606)	22
Cash & Equivalents at End of Year	(\$0)	(\$0)	\$0	(\$1,355)	(\$2,592)	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,347,796	\$4,793,231	\$5,029,819	\$5,086,576	\$5,146,466
2 Access Lines	4,366	4,752	5,238	5,375	5,573

DOLLAR AMOUNTS

3 Wages and Benefits	\$230,590	\$415,815	\$392,273	\$553,994	\$650,783
4 Depreciation and Amortization	824,083	888,346	914,376	968,428	948,490
5 Other Operations Expense	1,647,175	1,817,858	2,185,302	2,062,009	1,795,483
6 Total Operation Expenses	2,701,848	3,122,020	3,491,951	3,584,431	3,394,756
7 Income Taxes - Operating Taxes	240,423	308,924	298,092	224,332	506,402
8 Other Taxes - Operating Taxes	204,299	207,536	117,468	196,948	306,190
9 Capital Costs	1,201,227	1,154,751	1,122,308	1,080,865	939,118
10 Total	\$4,347,796	\$4,793,231	\$5,029,819	\$5,086,576	\$5,146,466

PERCENT OF REVENUES

11 Wages and Benefits	5.3	8.7	7.8	10.9	12.6
12 Depreciation and Amortization	19.0	18.5	18.2	19.0	18.4
13 Other Operations Expense	37.9	37.9	43.4	40.5	34.9
14 Income Taxes - Operating Taxes	5.5	6.4	5.9	4.4	9.8
15 Other Taxes - Operating Taxes	4.7	4.3	2.3	3.9	5.9
16 Capital Costs	27.6	24.1	22.3	21.2	18.2
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	52.81	87.50	74.89	103.07	116.77
19 Depreciation and Amortization	188.75	186.94	174.57	180.17	170.19
20 Other Operations Expense	377.27	382.55	417.20	383.63	322.18
21 Income Taxes - Operating Taxes	55.07	65.01	56.91	41.74	90.87
22 Other Taxes - Operating Taxes	46.79	43.67	22.43	36.64	54.94
23 Capital Costs	275.13	243.00	214.26	201.09	168.51
24 Total	995.83	1,008.68	960.26	946.34	923.46

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,680,452	\$1,787,907	\$1,795,216	\$1,795,177	\$1,795,177	1
Central Office Assets	8,474,947	8,282,463	8,158,577	8,021,190	7,936,136	2
Information Origination/Termination	211,888	210,258	205,905	205,905	203,566	3
Cable And Wire Facilities	13,721,952	13,638,530	13,538,718	13,401,187	13,210,377	4
Amortizable Assets						5
Total Plant In Service	24,089,239	23,919,158	23,698,416	23,423,459	23,145,256	6
Property Held For Future Use						7
Plant Under Construction	151,825	175,823	116,222	195,610	185,337	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,241,063	24,094,981	23,814,638	23,619,069	23,330,593	13
Less Acc. Prov. For Depreciation & Amort.	21,253,217	20,575,182	19,782,078	19,015,684	18,077,451	14
Net Total Utility Plant	\$2,987,847	\$3,519,799	\$4,032,560	\$4,603,386	\$5,253,142	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.89	0.56	1.05	1.67	1.93	16
Total Capitalization	\$13,920,876	\$12,982,777	\$12,038,693	\$15,091,736	\$14,225,950	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	203.54	161.53	167.98	115.59	154.04	22
Com. Stock Dividends as a % of Earnings			211.2%	231.0%		23
Return on Common Equity	7.0%	7.5%	7.0%	5.9%	7.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	307.6%	1133.0%	1247.9%	826.1%	938.5%	25
CWIP as a % of Plant	0.6%	0.7%	0.5%	0.8%	0.8%	26

Current Assets	1,277,842	1,428,547	1,274,470	1,156,292	1,280,621
Current Liabilities	675,150	2,548,844	1,213,388	691,626	665,166
Total Capitalization	13,920,876	12,982,777	12,038,693	15,091,736	14,225,950
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,920,876	12,982,777	12,038,693	15,091,736	14,225,950
Short-Term Debt					
Pretax Income	1,442,364	1,463,920	1,426,860	1,305,097	1,680,388
Interest Expense	7,086	9,063	8,494	11,291	10,909
Common Dividends Paid			2,000,000	2,000,000	
Net Income (Excl. Preferred Stock Dividends)	938,099	944,084	946,934	865,784	1,064,848
Internal Cash	449,277	3,176,257	2,440,589	2,383,239	3,457,036
Cash Outflows for Construction	(146,082)	(280,342)	(195,570)	(288,477)	(368,353)
CWIP	151,825	175,823	116,222	195,610	185,337
Total Plant	24,241,063	24,094,981	23,814,638	23,619,069	23,330,593
Shares Outstanding	21,742	21,742	21,742	21,742	21,742
Number of Employees	6	7	7	7	7

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$11,892,604	\$10,945,896	\$11,267,473	\$13,377,031	\$16,081,315	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,716,173	3,805,641	5,860,484	7,167,252	8,434,498	2
Changes in Deferred Income Taxes	9,391,567	202,788	202,788	202,788	700,273	3
Changes in Working Capital	(35,427,313)	20,818,771	5,599,044	1,834,794	(1,830,071)	4
Capitalized AFDC - Equity						5
Other	567,653	449,256	(331,798)	(512,772)	448,678	6
Total Non-Cash Items	(21,751,920)	25,276,456	11,330,519	8,692,063	7,753,378	7
Net Cash Provided From Operating Activities	(9,859,316)	36,222,352	22,597,991	22,069,094	23,834,693	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,092,310)	(1,543,336)	(1,042,699)	(1,907,167)	(1,544,844)	9
Purchase of Other Investments	10,947,259	(34,675,011)	19,551,209	(19,434,288)	(17,445,447)	10
Sale of Other Investments						11
Other			(1,093,962)	(782,855)	(843,203)	12
Net Cash Provided From Investing Activities	9,854,949	(36,218,346)	17,414,548	(22,124,310)	(19,833,494)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(40,000,000)		(4,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities			(40,000,000)		(4,000,000)	20
Net Increase (Decrease) in Cash & Equivalents	(4,367)	4,005	12,539	(55,216)	1,199	21
Cash & Equivalents at Beginning of Year	3,348	(657)	(13,196)	42,019	40,820	22
Cash & Equivalents at End of Year	(\$1,018)	\$3,348	(\$657)	(\$13,196)	\$42,019	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$42,042,366	\$44,515,184	\$47,936,968	\$51,013,275	\$54,625,491
2 Access Lines	36,233	38,225	40,831	43,403	46,290

DOLLAR AMOUNTS

3 Wages and Benefits	\$2,515,305	\$3,589,976	\$3,801,821	2,625,519	\$3,652,425
4 Depreciation and Amortization	5,185,474	5,085,294	5,860,484	7,167,252	8,434,498
5 Other Operations Expense	11,499,457	14,900,489	17,621,441	17,482,913	16,135,568
6 Total Operation Expenses	19,200,236	23,575,759	27,283,846	27,275,684	28,222,491
7 Income Taxes - Operating Taxes	5,606,181	5,226,193	5,262,497	5,812,013	8,156,361
8 Other Taxes - Operating Taxes	2,915,101	2,768,920	2,358,571	2,288,810	3,230,911
9 Capital Costs	14,320,848	12,944,312	13,032,054	15,636,768	15,015,728
10 Total	\$42,042,366	\$44,515,184	\$47,936,968	51,013,275	\$54,625,491

PERCENT OF REVENUES

11 Wages and Benefits	6.0	8.1	7.9	19.6	6.7
12 Depreciation and Amortization	12.3	11.4	12.2	53.6	15.4
13 Other Operations Expense	27.4	33.5	36.8	130.7	29.5
14 Income Taxes - Operating Taxes	13.3	11.7	11.0	43.4	14.9
15 Other Taxes - Operating Taxes	6.9	6.2	4.9	17.1	5.9
16 Capital Costs	34.1	29.1	27.2	116.9	27.5
17 Total	100.0	100.0	100.0	381.3	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	69.42	93.92	93.11	60.49	78.90
19 Depreciation and Amortization	143.11	133.04	143.53	165.13	182.21
20 Other Operations Expense	317.38	389.81	431.57	402.80	348.58
21 Income Taxes - Operating Taxes	154.73	136.72	128.88	133.91	176.20
22 Other Taxes - Operating Taxes	80.45	72.44	57.76	52.73	69.80
23 Capital Costs	395.24	338.63	319.17	360.27	324.38
24 Total	1,160.33	1,164.56	1,174.03	1,175.34	1,180.07

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$15,696,196	\$16,433,333	\$16,869,171	\$16,765,813	\$16,812,910	1
Central Office Assets	89,216,555	88,187,206	87,567,207	87,065,215	86,307,079	2
Information Origination/Termination	2,649,754	2,644,079	2,338,004	2,284,025	2,267,119	3
Cable And Wire Facilities	84,315,186	82,912,850	82,390,021	81,841,999	80,999,235	4
Amortizable Assets	31,214	31,214	31,214	31,214	31,214	5
Total Plant In Service	191,908,905	190,208,682	189,195,617	187,988,266	186,417,557	6
Property Held For Future Use						7
Plant Under Construction	969,541	1,577,454	1,047,183	1,211,832	875,372	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	192,878,446	191,786,136	190,242,800	189,200,098	187,292,929	13
Less Acc. Prov. For Depreciation & Amort.	162,073,583	158,357,410	154,551,770	149,736,659	143,352,260	14
Net Total Utility Plant	\$30,804,863	\$33,428,726	\$35,691,030	\$39,463,439	\$43,940,669	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.66	0.34	0.95	1.85	2.25	16
Total Capitalization	\$107,145,318	\$95,252,713	\$84,306,817	\$153,039,346	\$139,662,315	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	N/A	N/A	N/A	N/A	N/A	22
Com. Stock Dividends as a % of Earnings			355.0%		25.1%	23
Return on Common Equity	11.8%	12.2%	9.5%	9.1%	11.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-902.6%	2556.9%	2415.7%	1376.1%	1815.2%	25
CWIP as a % of Plant	0.5%	0.8%		0.6%	0.5%	26

Current Assets	18,202,964	11,406,972	16,277,473	9,953,957	11,606,490
Current Liabilities	4,978,322	33,345,410	17,183,947	5,370,466	5,155,815
Total Capitalization	107,145,318	95,252,713	84,306,817	153,039,346	139,662,315
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	107,145,318	95,252,713	84,306,817	153,039,346	139,662,315
Short-Term Debt					
Pretax Income	19,743,536	18,007,168	18,164,120	21,288,809	25,754,309
Interest Expense	1,362,310	1,233,108	1,113,793	1,003,600	901,821
Common Dividends Paid			40,000,000		4,000,000
Net Income (Excl. Preferred Stock Dividends)	11,892,604	10,945,896	11,267,473	13,377,031	15,949,518
Internal Cash	(9,859,316)	39,460,876	25,188,342	26,244,103	28,041,641
Cash Outflows for Construction	(1,092,310)	(1,543,336)	(1,042,699)	(1,907,167)	(1,544,844)
CWIP	969,541	1,577,454		1,211,832	875,372
Total Plant	192,878,446	191,786,136	190,242,800	189,200,098	187,292,929
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	41	43	46	45	46

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$5,483,983	\$6,703,084	(\$317,152)	\$8,965,486	\$32,344,367	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	43,106,913	47,865,593	68,827,514	69,199,706	69,960,582	2
Changes in Deferred Income Taxes	20,670,872	1,274,508	1,274,508	1,274,508	6,968,527	3
Changes in Working Capital	(203,020,359)	153,125,053	33,336,532	49,377,900	(36,757,918)	4
Capitalized AFDC - Equity						5
Other	11,405,234	5,913,684	7,947,481	6,353,598	7,795,652	6
Total Non-Cash Items	(127,837,339)	208,178,838	111,386,035	126,205,712	47,966,844	7
Net Cash Provided From Operating Activities	(122,353,356)	214,881,922	111,068,883	135,171,198	80,311,211	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(7,876,061)	(12,022,212)	(14,941,818)	(17,701,859)	(18,536,055)	9
Purchase of Other Investments	155,090,715	(201,734,164)	11,224,075	(109,583,307)	(53,783,726)	10
Sale of Other Investments			225,432	431,318		11
Other			(8,957,522)	(7,724,980)	(7,137,177)	12
Net Cash Provided From Investing Activities	147,214,654	(213,756,376)	(12,449,833)	(134,578,828)	(79,456,958)	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	(25,000,000)		(100,000,000)			18
Other Financing						19
Net Cash Provided From Financing Activities	(25,000,000)		(100,000,000)			20
Net Increase (Decrease) in Cash & Equivalents	(138,702)	1,125,546	(1,380,950)	592,370	854,253	21
Cash & Equivalents at Beginning of Year	1,508,605	383,059	1,764,009	1,171,639	317,386	22
Cash & Equivalents at End of Year	\$1,369,903	\$1,508,605	\$383,059	\$1,764,009	\$1,171,639	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$211,795,100	\$237,204,541	\$246,340,175	\$263,791,764	\$287,285,493
2 Access Lines	175,120	192,047	209,212	228,522	251,260

DOLLAR AMOUNTS

3 Wages and Benefits	\$37,515,668	\$39,820,307	\$42,498,914	\$43,239,985	\$46,550,939
4 Depreciation and Amortization	52,906,458	59,629,909	68,827,514	69,199,706	69,960,582
5 Other Operations Expense	84,136,817	101,010,928	113,237,588	112,030,329	96,752,274
6 Total Operation Expenses	174,558,943	200,461,145	224,564,285	224,470,019	213,263,795
7 Income Taxes - Operating Taxes	(2,234,077)	(1,160,364)	(4,450,729)	(12,707)	11,057,241
8 Other Taxes - Operating Taxes	20,580,862	18,690,539	16,490,634	20,275,136	21,085,940
9 Capital Costs	18,889,372	19,213,221	9,735,985	19,059,316	41,878,516
10 Total	\$211,795,100	\$237,204,541	\$246,340,175	\$263,791,764	\$287,285,493

PERCENT OF REVENUES

11 Wages and Benefits	17.7	16.8	17.3	16.4	16.2
12 Depreciation and Amortization	25.0	25.1	27.9	26.2	24.4
13 Other Operations Expense	39.7	42.6	46.0	42.5	33.7
14 Income Taxes - Operating Taxes	(1.1)	(0.5)	(1.8)	(0.0)	3.8
15 Other Taxes - Operating Taxes	9.7	7.9	6.7	7.7	7.3
16 Capital Costs	8.9	8.1	4.0	7.2	14.6
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	214.23	207.35	203.14	189.22	185.27
19 Depreciation and Amortization	302.12	310.50	328.98	302.81	278.44
20 Other Operations Expense	480.45	525.97	541.26	490.24	385.07
21 Income Taxes - Operating Taxes	(12.76)	(6.04)	(21.27)	(0.06)	44.01
22 Other Taxes - Operating Taxes	117.52	97.32	78.82	88.72	83.92
23 Capital Costs	107.87	100.04	46.54	83.40	166.67
24 Total	1,209.43	1,235.14	1,177.47	1,154.34	1,143.38

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$124,951,955	\$130,190,880	\$135,649,946	\$136,310,383	\$135,030,667	1
Central Office Assets	648,116,628	635,406,134	626,631,562	613,644,327	605,209,992	2
Information Origination/Termination	15,033,237	15,033,237	15,032,753	15,032,753	15,032,753	3
Cable And Wire Facilities	723,933,171	719,915,023	713,388,705	706,222,259	702,446,053	4
Amortizable Assets	12,080,937	12,080,937	12,080,937	12,080,937	12,078,642	5
Total Plant In Service	1,524,115,928	1,512,626,211	1,502,783,903	1,483,290,659	1,469,798,107	6
Property Held For Future Use						7
Plant Under Construction	6,022,472	9,636,128	7,456,223	12,085,833	7,956,050	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,205	2,205	2,205	2,205	2,205	11
Goodwill						12
Total Telecommunications Plant	1,530,140,605	1,522,264,544	1,510,242,331	1,495,378,697	1,477,756,362	13
Less Acc. Prov. For Depreciation & Amort.	1,275,213,928	1,232,107,015	1,184,241,424	1,124,224,180	1,062,397,661	14
Net Total Utility Plant	\$254,926,677	\$290,157,529	\$326,000,907	\$371,154,517	\$415,358,701	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.58	0.35	0.82	1.36	2.33	16
Total Capitalization	\$602,080,502	\$621,596,519	\$614,893,435	\$715,210,589	\$706,245,103	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	1.60	1.88	0.79	2.34	7.23	22
Com. Stock Dividends as a % of Earnings	455.9%		-31530.8%			23
Return on Common Equity	0.9%	1.1%	0.0%	1.3%	4.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-1553.5%	1965.1%	863.5%	870.8%	545.6%	25
CWIP as a % of Plant	0.4%	0.6%	0.5%	0.8%	0.5%	26

Current Assets	94,703,502	88,847,854	75,175,320	68,904,013	117,601,818
Current Liabilities	59,896,499	255,167,418	92,205,399	50,601,153	50,549,785
Total Capitalization	602,080,502	621,596,519	614,893,435	715,210,589	706,245,103
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	602,080,502	621,596,519	614,893,435	715,210,589	706,245,103
Short-Term Debt					
Pretax Income	19,400,061	20,606,033	7,845,064	21,154,784	59,288,507
Interest Expense	12,096,052	10,983,152	9,970,383	9,054,562	8,203,246
Common Dividends Paid	25,000,000		100,000,000		
Net Income (Excl. Preferred Stock Dividends)	5,483,983	6,703,084	(317,150)	8,965,487	32,344,367
Internal Cash	(122,353,356)	236,250,105	129,026,977	154,155,251	101,140,354
Cash Outflows for Construction	(7,876,061)	(12,022,212)	(14,941,818)	(17,701,859)	(18,536,055)
CWIP	6,022,472	9,636,128	7,456,223	12,085,833	7,956,050
Total Plant	1,530,140,605	1,522,264,544	1,510,242,331	1,495,378,697	1,477,756,363
Shares Outstanding	772	772			
Number of Employees	379	409	466	505	525

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$622,586	\$554,604	\$841,386	\$973,431	\$1,495,043	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	635,495	742,902	742,285	771,103	802,886	2
Changes in Deferred Income Taxes	503,849	27,852	27,852	27,852	652,412	3
Changes in Working Capital	(2,426,146)	1,781,892	269,334	851,004	(16,136)	4
Capitalized AFDC - Equity						5
Other	(43,315)	(95,755)	(94,506)	(73,408)	(20,527)	6
Total Non-Cash Items	(1,330,117)	2,456,892	944,965	1,576,551	1,418,634	7
Net Cash Provided From Operating Activities	(707,531)	3,011,496	1,786,351	2,549,981	2,913,677	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(231,997)	(339,152)	(505,031)	(634,767)	(568,150)	9
Purchase of Other Investments	939,528	(2,672,344)	2,777,669	(1,878,192)	(2,270,075)	10
Sale of Other Investments						11
Other			(58,044)	(42,479)	(86,885)	12
Net Cash Provided From Investing Activities	707,531	(3,011,496)	2,214,594	(2,555,438)	(2,925,110)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock			(4,000,000)			15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities			(4,000,000)			20
Net Increase (Decrease) in Cash & Equivalents	(0)	0	945	(5,457)	(11,432)	21
Cash & Equivalents at Beginning of Year	0	(0)	(945)	4,511	15,944	22
Cash & Equivalents at End of Year	\$0	\$0	(\$0)	(\$945)	\$4,511	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,526,884	\$4,764,330	\$4,953,194	\$5,206,041	\$5,748,541
2 Access Lines	6,157	6,620	6,081	6,374	6,755
DOLLAR AMOUNTS					
3 Wages and Benefits	\$442,658	\$637,473	\$554,851	\$523,515	\$500,519
4 Depreciation and Amortization	820,677	813,537	742,285	771,103	802,886
5 Other Operations Expense	2,024,395	2,217,466	2,203,086	2,177,854	1,899,214
6 Total Operation Expenses	3,287,730	3,668,476	3,500,222	3,472,472	3,202,618
7 Income Taxes - Operating Taxes	(14,390)	(73,584)	86,830	128,032	764,125
8 Other Taxes - Operating Taxes	212,286	218,569	173,363	247,313	362,710
9 Capital Costs	1,041,258	950,870	1,192,779	1,358,224	1,419,088
10 Total	\$4,526,884	\$4,764,330	\$4,953,194	\$5,206,041	\$5,748,541
PERCENT OF REVENUES					
11 Wages and Benefits	9.8	13.4	11.2	10.1	8.7
12 Depreciation and Amortization	18.1	17.1	15.0	14.8	14.0
13 Other Operations Expense	44.7	46.5	44.5	41.8	33.0
14 Income Taxes - Operating Taxes	(0.3)	(1.5)	1.8	2.5	13.3
15 Other Taxes - Operating Taxes	4.7	4.6	3.5	4.8	6.3
16 Capital Costs	23.0	20.0	24.1	26.1	24.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	71.90	96.29	91.24	82.13	74.10
19 Depreciation and Amortization	133.29	122.89	122.07	120.98	118.86
20 Other Operations Expense	328.80	334.96	362.29	341.68	281.16
21 Income Taxes - Operating Taxes	(2.34)	(11.12)	14.28	20.09	113.12
22 Other Taxes - Operating Taxes	34.48	33.02	28.51	38.80	53.70
23 Capital Costs	169.12	143.64	196.15	213.09	210.08
24 Total	735.24	719.69	814.54	816.76	851.01

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,994,485	\$2,119,429	\$2,150,796	\$1,963,546	\$1,905,303	1
Central Office Assets	12,385,573	12,225,709	11,934,773	11,678,758	11,511,208	2
Information Origination/Termination	80,781	80,781	80,781	69,302	69,302	3
Cable And Wire Facilities	12,427,017	12,335,311	12,189,637	11,964,458	11,775,903	4
Amortizable Assets						5
Total Plant In Service	26,887,855	26,761,229	26,355,987	25,676,064	25,261,716	6
Property Held For Future Use						7
Plant Under Construction	250,761	145,390	211,483	386,373	165,954	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	27,138,616	26,906,619	26,567,470	26,062,437	25,427,670	13
Less Acc. Prov. For Depreciation & Amort.	23,635,897	23,000,402	22,257,499	21,573,258	20,844,630	14
Net Total Utility Plant	\$3,502,720	\$3,906,218	\$4,309,971	\$4,489,179	\$4,583,040	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.70	0.44	0.97	1.21	2.16	16
Total Capitalization	\$5,925,130	\$5,302,544	\$4,747,940	\$11,906,553	\$10,933,122	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	19.18	18.12	28.69	37.02	65.57	22
Com. Stock Dividends as a % of Earnings			489.0%			23
Return on Common Equity	11.1%	11.0%	9.8%	8.4%	14.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	155.4%	1208.6%	553.3%	575.8%	670.9%	25
CWIP as a % of Plant	0.9%	0.5%	0.8%	1.5%	0.7%	26

Current Assets	1,409,692	1,414,730	1,359,272	1,309,830	2,026,038
Current Liabilities	827,561	3,232,500	1,398,385	1,080,261	940,014
Total Capitalization	5,925,130	5,302,544	4,747,940	11,906,553	10,933,122
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,925,130	5,302,544	4,747,940	11,906,553	10,933,122
Short-Term Debt					
Pretax Income	1,040,867	889,910	1,272,640	1,480,089	2,355,500
Interest Expense	54,263	49,116	44,364	39,977	35,921
Common Dividends Paid			4,000,000		
Net Income (Excl. Preferred Stock Dividends)	622,586	554,604	818,021	957,816	1,480,545
Internal Cash	360,451	4,099,021	2,794,511	3,654,821	3,811,862
Cash Outflows for Construction	(231,997)	(339,152)	(505,031)	(634,767)	(568,150)
CWIP	250,761	145,390	211,483	386,373	165,954
Total Plant	27,138,616	26,906,619	26,567,470	26,062,437	25,427,669
Shares Outstanding	100	100	100	100	100
Number of Employees	7	7	9	9	9

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	68,213	\$199,524	\$474,423	\$127,981	\$892,749	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	971,094	925,600	1,589,673	1,806,573	2,514,667	2
Changes in Deferred Income Taxes	1,946,871	194,083	171,690	171,690	272,018	3
Changes in Working Capital	(4,482,384)	2,089,022	445,562	465,014	(326,757)	4
Capitalized AFDC - Equity						5
Other	(37,295)	(53,024)	(108,311)	(167,510)	161,740	6
Total Non-Cash Items	(1,601,714)	3,155,681	2,098,614	2,275,767	2,621,668	7
Net Cash Provided From Operating Activities	<u>(1,533,501)</u>	<u>3,355,205</u>	<u>2,573,037</u>	<u>2,403,748</u>	<u>3,514,417</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(98,821)	(119,983)	(391,061)	(342,734)	(302,450)	9
Purchase of Other Investments	1,632,322	(3,235,222)	4,018,072	(1,815,569)	(365,174)	10
Sale of Other Investments			(198,217)			11
Other				(249,643)	(307,123)	12
Net Cash Provided From Investing Activities	<u>1,533,501</u>	<u>(3,355,205)</u>	<u>3,428,794</u>	<u>(2,407,946)</u>	<u>(974,747)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(6,000,000)		(2,500,000)	18
Other Financing						19
Net Cash Provided From Financing Activities			<u>(6,000,000)</u>		<u>(2,500,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	4	1,831	(4,198)	39,670	21
Cash & Equivalents at Beginning of Year	0	(3)	(1,834)	2,364	(37,307)	22
Cash & Equivalents at End of Year	\$0	\$0	(\$3)	(\$1,834)	\$2,364	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,482,373	\$6,264,199	\$7,099,933	\$7,386,531	\$8,837,853
2 Access Lines	6,270	6,947	7,756	8,301	9,283
DOLLAR AMOUNTS					
3 Wages and Benefits	\$561,663	\$758,262	\$762,100	\$861,923	\$996,744
4 Depreciation and Amortization	1,231,816	1,535,280	1,589,673	1,806,573	2,514,667
5 Other Operations Expense	2,977,160	3,089,824	3,709,968	3,967,860	3,609,484
6 Total Operation Expenses	4,770,639	5,383,365	6,061,741	6,636,356	7,120,894
7 Income Taxes - Operating Taxes	(280,183)	(214,312)	(88,240)	(364,910)	364,203
8 Other Taxes - Operating Taxes	553,629	558,940	358,582	596,289	688,435
9 Capital Costs	438,288	536,205	767,851	518,796	664,321
10 Total	\$5,482,373	\$6,264,199	\$7,099,933	\$7,386,531	\$8,837,853
PERCENT OF REVENUES					
11 Wages and Benefits	10.2	12.1	10.7	11.7	11.3
12 Depreciation and Amortization	22.5	24.5	22.4	24.5	28.5
13 Other Operations Expense	54.3	49.3	52.3	53.7	40.8
14 Income Taxes - Operating Taxes	(5.1)	(3.4)	(1.2)	(4.9)	4.1
15 Other Taxes - Operating Taxes	10.1	8.9	5.1	8.1	7.8
16 Capital Costs	8.0	8.6	10.8	7.0	7.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	89.58	109.15	98.26	103.83	107.37
19 Depreciation and Amortization	196.46	221.00	204.96	217.63	270.89
20 Other Operations Expense	474.83	444.77	478.34	478.00	388.83
21 Income Taxes - Operating Taxes	(44.69)	(30.85)	(11.38)	(43.96)	39.23
22 Other Taxes - Operating Taxes	88.30	80.46	46.23	71.83	74.16
23 Capital Costs	69.90	77.19	99.00	62.50	71.56
24 Total	874.38	901.71	915.41	889.84	952.05

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,276,821	\$2,389,381	\$2,447,040	\$2,386,238	\$2,423,683	1
Central Office Assets	23,298,845	22,866,826	22,881,529	22,692,607	22,550,130	2
Information Origination/Termination	275,858	275,858	275,859	268,547	261,720	3
Cable And Wire Facilities	27,031,229	26,958,007	26,800,455	26,666,837	26,529,575	4
Amortizable Assets						5
Total Plant In Service	52,882,753	52,490,072	52,404,883	52,014,229	51,765,108	6
Property Held For Future Use						7
Plant Under Construction	128,806	422,666	387,869	387,468	293,855	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	53,011,559	52,912,738	52,792,752	52,401,697	52,058,963	13
Less Acc. Prov. For Depreciation & Amort.	44,881,905	43,910,811	42,985,210	41,593,758	40,036,826	14
Net Total Utility Plant	\$8,129,654	\$9,001,927	\$9,807,542	\$10,807,939	\$12,022,137	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.62	0.41	0.84	1.10	1.42	16
Total Capitalization	\$12,030,090	\$11,961,877	\$11,762,353	\$23,287,928	\$23,159,948	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	5.61	12.26	28.58	7.19	-2.63	22
Com. Stock Dividends as a % of Earnings					281.9%	23
Return on Common Equity	0.6%	1.7%	2.7%	0.6%	3.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-1551.8%	2796.4%	658.0%	701.3%	1162.0%	25
CWIP as a % of Plant	0.2%	0.8%		0.7%	0.6%	26

Current Assets	2,882,618	1,665,581	1,562,632	1,387,473	1,715,120
Current Liabilities	796,844	4,067,416	1,869,012	1,262,931	1,210,275
Total Capitalization	12,030,090	11,961,877	11,762,353	23,287,928	23,159,948
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	12,030,090	11,961,877	11,762,353	23,287,928	23,159,948
Short-Term Debt					
Pretax Income	166,296	329,115	692,513	157,053	1,028,544
Interest Expense	29,648	26,836	24,231	21,841	(391,696)
Common Dividends Paid					2,500,000
Net Income (Excl. Preferred Stock Dividends)	68,213	199,524	474,429	129,712	886,741
Internal Cash	(1,533,501)	3,355,205	2,573,037	2,403,748	3,514,417
Cash Outflows for Construction	(98,821)	(119,983)	(391,061)	(342,734)	(302,450)
CWIP	128,806	422,666		387,468	293,855
Total Plant	53,011,559	52,912,738	52,792,752	52,401,697	52,058,963
Shares Outstanding	200	200	200	200	200
Number of Employees	7	7	8	9	10

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$500,593)	(\$333,678)	(\$304,271)	(\$148,595)	(\$58,480)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	324,725	353,212	292,802	231,857	455,213	2
Changes in Deferred Income Taxes	(130,912)	(524,385)	(293,276)	145,713	17,700	3
Changes in Working Capital	187,757	616,175	119,031	670,599	27,294	4
Capitalized AFDC - Equity						5
Other	148,654	18,989	348,358	(34,048)	(128,210)	6
Total Non-Cash Items	530,224	463,991	466,915	1,014,121	371,997	7
Net Cash Provided From Operating Activities	29,630	130,313	162,644	865,526	313,518	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(145,274)	(169,388)	(240,162)	(768,638)	(436,079)	9
Purchase of Other Investments						10
Sale of Other Investments	2,138	(583)	221	(119)	5,078	11
Other	(7,922)	(6,623)	(27,203)	(28,527)	(47,593)	12
Net Cash Provided From Investing Activities	(151,058)	(176,594)	(267,144)	(797,284)	(478,594)	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	(12,000)	(87,000)	(9,000)	(156,000)	(12,000)	18
Other Financing	(6,112)	1,779	(2,738)	(55,656)	119,958	19
Net Cash Provided From Financing Activities	(18,112)	(85,221)	(11,738)	(211,656)	107,958	20
Net Increase (Decrease) in Cash & Equivalents	(139,540)	(131,503)	(116,238)	(143,414)	(57,118)	21
Cash & Equivalents at Beginning of Year	264,766	396,269	512,507	655,921	713,039	22
Cash & Equivalents at End of Year	\$125,227	\$264,766	\$396,269	\$512,507	\$655,921	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,287,175	\$2,373,383	\$2,469,960	\$2,396,164	\$2,609,842
2 Access Lines	2,148	2,207	2,287	2,361	2,497
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,325,738	\$1,365,179	\$1,393,453	\$1,264,050	\$1,200,596
4 Depreciation and Amortization	324,725	353,212	292,802	231,857	455,215
5 Other Operations Expense	1,088,668	1,065,978	1,098,276	1,141,079	1,146,626
6 Total Operation Expenses	2,739,130	2,784,369	2,784,531	2,636,986	2,802,438
7 Income Taxes - Operating Taxes	(194,365)	(153,127)	(132,981)	(91,374)	(28,783)
8 Other Taxes - Operating Taxes	109,186	104,527	116,049	118,004	122,559
9 Capital Costs	(366,777)	(362,386)	(297,639)	(267,453)	(286,372)
10 Total	\$2,287,175	\$2,373,383	\$2,469,960	\$2,396,164	\$2,609,842
PERCENT OF REVENUES					
11 Wages and Benefits	58.0	57.5	56.4	52.8	46.0
12 Depreciation and Amortization	14.2	14.9	11.9	9.7	17.4
13 Other Operations Expense	47.6	44.9	44.5	47.6	43.9
14 Income Taxes - Operating Taxes	(8.5)	(6.5)	(5.4)	(3.8)	(1.1)
15 Other Taxes - Operating Taxes	4.8	4.4	4.7	4.9	4.7
16 Capital Costs	(16.0)	(15.3)	(12.1)	(11.2)	(11.0)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	617.20	618.57	609.29	535.39	480.82
19 Depreciation and Amortization	151.18	160.04	128.03	98.20	182.30
20 Other Operations Expense	506.83	483.00	480.23	483.30	459.20
21 Income Taxes - Operating Taxes	(90.49)	(69.38)	(58.15)	(38.70)	(11.53)
22 Other Taxes - Operating Taxes	50.83	47.36	50.74	49.98	49.08
23 Capital Costs	(170.75)	(164.20)	(130.14)	(113.28)	(114.69)
24 Total	1,064.79	1,075.39	1,080.00	1,014.89	1,045.19

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,840,667	\$1,834,410	\$1,817,236	\$1,803,372	\$1,795,538	1
Central Office Assets	2,384,912	2,361,523	2,257,063	2,066,769	3,408,618	2
Information Origination/Termination	52,759	52,759	52,759	181,672	181,672	3
Cable And Wire Facilities	4,558,880	4,541,905	4,477,025	4,475,491	4,064,176	4
Amortizable Assets	438,771	432,647	416,447	398,040	396,059	5
Total Plant In Service	9,275,989	9,223,243	9,020,530	8,925,344	9,846,062	6
Property Held For Future Use						7
Plant Under Construction	79,289	33,680	90,394	315,881	166,786	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,355,278	9,256,923	9,110,924	9,241,224	10,012,848	13
Less Acc. Prov. For Depreciation & Amort.	6,480,610	6,200,666	5,871,426	5,948,867	7,257,391	14
Net Total Utility Plant	\$2,874,668	\$3,056,257	\$3,239,498	\$3,292,357	\$2,755,458	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.57	0.54	0.85	1.05	3.83	16
Total Capitalization	\$6,983,651	\$7,460,298	\$7,900,204	\$8,440,724	\$8,782,054	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-721.01	22
Com. Stock Dividends as a % of Earnings	-2.4%	-26.1%	-3.0%	-105.0%	-20.5%	23
Return on Common Equity	-6.9%	-4.3%	-3.7%	-1.7%	-0.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	20.4%	76.9%	67.7%	112.6%	71.9%	25
CWIP as a % of Plant	0.8%	0.4%	1.0%	3.4%	1.7%	26

Current Assets	1,733,546	1,076,502	1,011,763	969,277	1,191,809
Current Liabilities	3,021,479	1,987,387	1,186,453	926,595	311,552
Total Capitalization	6,983,651	7,460,298	7,900,204	8,440,724	8,782,054
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,983,651	7,460,298	7,900,204	8,440,724	8,782,054
Short-Term Debt					
Pretax Income	(695,660)	(485,261)	(436,394)	(216,341)	(165,920)
Interest Expense					230
Common Dividends Paid	12,000	87,000	9,000	156,000	12,000
Net Income (Excl. Preferred Stock Dividends)	(500,593)	(333,678)	(304,271)	(148,595)	(58,480)
Internal Cash	29,630	130,313	162,644	865,526	313,518
Cash Outflows for Construction	(145,274)	(169,388)	(240,162)	(768,638)	(436,079)
CWIP	79,289	33,680	90,394	315,881	166,786
Total Plant	9,355,278	9,256,923	9,110,923	9,241,224	10,012,848
Shares Outstanding	800	800	800	800	800
Number of Employees	12	15	15	16	15

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$267,211	\$18,921	\$7,955	(\$152,452)	(\$99,741)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	128,103	138,878	258,925	270,547	292,721	2
Changes in Deferred Income Taxes	66,546	28,343	(26,406)	(17,695)	(71,278)	3
Changes in Working Capital	12,154	(2,575)	69,876	(53,520)	(322,585)	4
Capitalized AFDC - Equity						5
Other	(278,731)	(213,403)	(105,039)	(693)	8,999	6
Total Non-Cash Items	(71,928)	(48,757)	197,356	198,639	(92,143)	7
Net Cash Provided From Operating Activities	<u>195,283</u>	<u>(29,836)</u>	<u>205,311</u>	<u>46,187</u>	<u>(191,884)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(65,582)	(137,831)	(5,025)	(76,414)	(101,256)	9
Purchase of Other Investments						10
Sale of Other Investments	86,823	9,772	7,500	2,948		11
Other	(133,090)	(27,651)	(94,027)	(90,016)	(100,993)	12
Net Cash Provided From Investing Activities	<u>(111,849)</u>	<u>(155,710)</u>	<u>(91,552)</u>	<u>(163,482)</u>	<u>(202,249)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(6,861)	(6,434)	(44,678)	(122,764)	(130,484)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(120,000)	(59,000)	(50,000)	26,000	410,000	17
Dividends Paid						18
Other Financing	197,075	317,581	22,495	119,357	121,512	19
Net Cash Provided From Financing Activities	<u>70,214</u>	<u>252,147</u>	<u>(72,183)</u>	<u>22,593</u>	<u>401,028</u>	20
Net Increase (Decrease) in Cash & Equivalents	153,648	66,601	41,576	(94,702)	6,895	21
Cash & Equivalents at Beginning of Year	168,525	101,924	60,348	155,050	148,155	22
Cash & Equivalents at End of Year	\$322,173	\$168,525	\$101,924	\$60,348	\$155,050	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,701,271	\$1,531,677	\$1,612,681	\$1,688,590	\$1,809,792
2 Access Lines	1,442	1,405	1,460	1,517	1,567
DOLLAR AMOUNTS					
3 Wages and Benefits	\$924,303	\$976,855	\$988,327	\$1,068,352	\$1,068,340
4 Depreciation and Amortization	112,824	123,598	242,660	255,104	281,275
5 Other Operations Expense	588,225	537,643	495,205	566,893	536,014
6 Total Operation Expenses	1,625,352	1,638,096	1,726,192	1,890,349	1,885,629
7 Income Taxes - Operating Taxes	7,113	(77,073)	(89,590)	(112,772)	(74,185)
8 Other Taxes - Operating Taxes	78,834	74,920	78,015	84,852	90,236
9 Capital Costs	(10,028)	(104,266)	(101,936)	(173,839)	(91,888)
10 Total	\$1,701,271	\$1,531,677	\$1,612,681	\$1,688,590	\$1,809,792
PERCENT OF REVENUES					
11 Wages and Benefits	54.3	63.8	61.3	63.3	59.0
12 Depreciation and Amortization	6.6	8.1	15.0	15.1	15.5
13 Other Operations Expense	34.6	35.1	30.7	33.6	29.6
14 Income Taxes - Operating Taxes	0.4	(5.0)	(5.6)	(6.7)	(4.1)
15 Other Taxes - Operating Taxes	4.6	4.9	4.8	5.0	5.0
16 Capital Costs	(0.6)	(6.8)	(6.3)	(10.3)	(5.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	640.99	695.27	676.94	704.25	681.77
19 Depreciation and Amortization	78.24	87.97	166.21	168.16	179.50
20 Other Operations Expense	407.92	382.66	339.18	373.69	342.06
21 Income Taxes - Operating Taxes	4.93	(54.86)	(61.36)	(74.34)	(47.34)
22 Other Taxes - Operating Taxes	54.67	53.32	53.43	55.93	57.59
23 Capital Costs	(6.95)	(74.21)	(69.82)	(114.59)	(58.64)
24 Total	1,179.80	1,090.16	1,104.58	1,113.11	1,154.94

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,493,377	\$1,589,255	\$1,527,033	\$1,617,662	\$1,614,722	1
Central Office Assets	1,318,383	1,301,195	1,381,382	1,422,446	1,385,204	2
Information Origination/Termination	63,377	63,377	63,377	63,377	63,377	3
Cable And Wire Facilities	2,150,117	2,132,608	2,122,388	2,120,980	2,100,997	4
Amortizable Assets						5
Total Plant In Service	5,025,254	5,086,435	5,094,180	5,224,465	5,164,300	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition	72,460	72,459	72,459	72,459	72,459	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	5,097,714	5,158,894	5,166,639	5,296,924	5,236,759	13
Less Acc. Prov. For Depreciation & Amort.	4,034,403	4,018,939	4,015,865	3,885,735	3,629,725	14
Net Total Utility Plant	\$1,063,311	\$1,139,955	\$1,150,774	\$1,411,189	\$1,607,034	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.11	0.98	1.08	1.08	1.12	16
Total Capitalization	\$2,520,980	\$2,380,630	\$2,427,143	\$2,513,866	\$2,763,082	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.6%	1.0%	1.2%	1.0%	2.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	90.9%	85.0%	82.6%	79.4%	77.8%	20
Short-Term Debt	8.5%	14.0%	16.2%	19.6%	19.3%	21
Pretax Coverage of Interest Expense	13.08	-1.02	2.81	-10.14	-4.78	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	12.4%	0.9%	0.4%	-7.4%	-4.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	297.8%	-21.6%	4085.8%	60.4%	-189.5%	25
CWIP as a % of Plant						26

Current Assets	2,043,140	1,715,395	1,645,519	1,470,535	1,504,192
Current Liabilities	1,837,935	1,743,562	1,520,339	1,362,747	1,348,213
Total Capitalization	2,520,980	2,380,630	2,427,143	2,513,866	2,763,082
Long-Term Debt	15,539	22,882	29,767	25,041	80,751
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,291,087	2,023,876	2,004,955	1,997,000	2,149,452
Short-Term Debt	214,354	333,872	392,421	491,825	532,879
Pretax Income	300,754	(28,161)	(58,202)	(240,138)	(145,765)
Interest Expense	22,997	27,522	(20,694)	23,673	30,506
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	267,211	18,921	7,955	(152,452)	(99,741)
Internal Cash	195,283	(29,836)	205,311	46,187	(191,884)
Cash Outflows for Construction	(65,582)	(137,831)	(5,025)	(76,414)	(101,256)
CWIP					
Total Plant	5,097,714	5,158,894	5,166,639	5,296,924	5,236,759
Shares Outstanding	873	873	873	873	873
Number of Employees	8	9	9	9	10

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$3,054)	(\$46,934)	\$62,903	\$65,923	\$118,781	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	398,021	379,632	424,951	475,000	431,047	2
Changes in Deferred Income Taxes	5,880	49,046	(86,033)	(24,319)	1,848	3
Changes in Working Capital	169,655	(64,812)	440,908	(60,859)	(239,722)	4
Capitalized AFDC - Equity						5
Other	69,514	484,656	(255,568)	(16,390)	(47,111)	6
Total Non-Cash Items	643,070	848,522	524,258	373,432	146,062	7
Net Cash Provided From Operating Activities	<u>640,016</u>	<u>801,588</u>	<u>587,161</u>	<u>439,355</u>	<u>264,843</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(310,899)	(384,704)	(216,159)	(251,135)	(260,931)	9
Purchase of Other Investments	(78,590)	(79,623)	(83,361)	309,136	227,080	10
Sale of Other Investments	(1,439)	(1,396)	(3,784)	(3,586)	(1,284)	11
Other						12
Net Cash Provided From Investing Activities	<u>(390,928)</u>	<u>(465,723)</u>	<u>(303,304)</u>	<u>54,415</u>	<u>(35,135)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(25,578)	(24,334)	(23,164)	(31,859)	(81,127)	14
Common Stock		(227,500)	(227,500)	(618,703)	(300,000)	15
Preferred Stock						16
Short-Term Debt	(120,000)	(15,000)				17
Dividends Paid	(170,625)					18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(316,203)</u>	<u>(266,834)</u>	<u>(250,664)</u>	<u>(650,562)</u>	<u>(381,127)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(67,115)	69,031	33,193	(156,792)	(151,419)	21
Cash & Equivalents at Beginning of Year	441,999	372,968	339,775	496,567	647,986	22
Cash & Equivalents at End of Year	\$374,884	\$441,999	\$372,968	\$339,775	\$496,567	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,077,144	\$1,992,964	\$2,251,838	\$2,245,736	\$2,406,946
2 Access Lines	2,841	2,996	3,136	3,378	3,608
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,188,163	\$1,139,562	\$1,048,385	\$942,713	\$976,910
4 Depreciation and Amortization	387,848	369,461	414,780	464,658	420,705
5 Other Operations Expense	970,519	1,008,559	965,903	844,304	893,603
6 Total Operation Expenses	2,546,530	2,517,582	2,429,068	2,251,675	2,291,218
7 Income Taxes - Operating Taxes	(199,427)	(201,983)	(96,445)	(45,432)	(2,874)
8 Other Taxes - Operating Taxes	92,944	100,488	117,527	120,944	122,649
9 Capital Costs	(362,903)	(423,123)	(198,312)	(81,451)	(4,047)
10 Total	\$2,077,144	\$1,992,964	\$2,251,838	\$2,245,736	\$2,406,946
PERCENT OF REVENUES					
11 Wages and Benefits	57.2	57.2	46.6	42.0	40.6
12 Depreciation and Amortization	18.7	18.5	18.4	20.7	17.5
13 Other Operations Expense	46.7	50.6	42.9	37.6	37.1
14 Income Taxes - Operating Taxes	(9.6)	(10.1)	(4.3)	(2.0)	(0.1)
15 Other Taxes - Operating Taxes	4.5	5.0	5.2	5.4	5.1
16 Capital Costs	(17.5)	(21.2)	(8.8)	(3.6)	(0.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	418.22	380.36	334.31	279.07	270.76
19 Depreciation and Amortization	136.52	123.32	132.26	137.55	116.60
20 Other Operations Expense	341.61	336.64	308.00	249.94	247.67
21 Income Taxes - Operating Taxes	(70.20)	(67.42)	(30.75)	(13.45)	(0.80)
22 Other Taxes - Operating Taxes	32.72	33.54	37.48	35.80	33.99
23 Capital Costs	(127.74)	(141.23)	(63.24)	(24.11)	(1.12)
24 Total	731.13	665.21	718.06	664.81	667.11

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,218,682	\$2,039,066	\$2,008,274	\$2,006,782	\$1,929,633	1
Central Office Assets	4,670,804	4,570,266	4,515,825	4,430,614	4,401,627	2
Information Origination/Termination	145,154	145,154	145,154	145,154	145,154	3
Cable And Wire Facilities	6,058,190	5,911,704	5,849,230	5,808,990	5,725,023	4
Amortizable Assets	290	290	290	290	290	5
Total Plant In Service	13,093,120	12,666,480	12,518,773	12,391,830	12,201,727	6
Property Held For Future Use						7
Plant Under Construction	66,480	202,153	4,095			8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,159,600	12,868,633	12,522,868	12,391,830	12,201,727	13
Less Acc. Prov. For Depreciation & Amort.	11,129,646	10,756,208	10,415,885	10,073,838	9,649,813	14
Net Total Utility Plant	\$2,029,954	\$2,112,425	\$2,106,983	\$2,317,992	\$2,551,914	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.19	3.16	2.02	6.91	7.02	16
Total Capitalization	\$6,116,806	\$6,430,972	\$6,743,782	\$6,748,491	\$7,331,044	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.9%	1.3%	1.6%	1.9%	2.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.3%	96.1%	95.7%	98.1%	97.8%	20
Short-Term Debt	0.8%	2.6%	2.7%			21
Pretax Coverage of Interest Expense	-75.05	-85.31	-32.61	17.23	17.71	22
Com. Stock Dividends as a % of Earnings	-5586.9%	-484.7%	361.7%	938.5%	252.6%	23
Return on Common Equity	-0.1%	-0.7%	1.0%	1.0%	1.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	205.9%	208.4%	271.6%	174.9%	101.5%	25
CWIP as a % of Plant	0.5%	1.6%	0.0%			26

Current Assets	974,703	1,013,550	1,031,410	1,084,615	1,191,852
Current Liabilities	445,040	320,704	509,864	156,852	169,796
Total Capitalization	6,116,806	6,430,972	6,743,782	6,748,491	7,331,044
Long-Term Debt	55,218	80,796	105,130	128,294	160,153
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,011,588	6,180,176	6,453,652	6,620,197	7,170,891
Short-Term Debt	50,000	170,000	185,000		
Pretax Income	(200,841)	(247,236)	(33,489)	20,370	122,160
Interest Expense	2,676	2,898	1,027	1,182	6,899
Common Dividends Paid	170,625	227,500	227,500	618,703	300,000
Net Income (Excl. Preferred Stock Dividends)	(3,054)	(46,934)	62,903	65,923	118,781
Internal Cash	640,016	801,588	587,161	439,355	264,842
Cash Outflows for Construction	(310,899)	(384,704)	(216,159)	(251,135)	(260,931)
CWIP	66,480	202,153	4,095		
Total Plant	13,159,600	12,868,633	12,522,868	12,391,830	12,201,727
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	20	19	17	18	17

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$55,454)	(\$459,056)	(\$378,003)	(\$94,619)	(\$112,647)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	664,279	1,262,745	1,046,050	753,774	867,453	2
Changes in Deferred Income Taxes	(74,969)	(238,837)	(225,050)	15,787	92,856	3
Changes in Working Capital	(67,406)	163,676	397,246	147,225	27,519	4
Capitalized AFDC - Equity						5
Other	(115,760)	76,462	166,190	176,607	104,762	6
Total Non-Cash Items	406,144	1,264,046	1,384,436	1,093,393	1,092,590	7
Net Cash Provided From Operating Activities	350,690	804,990	1,006,433	998,774	979,943	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(595,947)	(563,983)	(1,062,482)	(1,218,047)	(1,126,897)	9
Purchase of Other Investments	100,000	30,000				10
Sale of Other Investments	1,404	2,658	10,456	(16,252)	5,123	11
Other						12
Net Cash Provided From Investing Activities	(494,543)	(531,325)	(1,052,026)	(1,234,299)	(1,121,774)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(90,505)	(83,967)	(77,929)	(72,323)	(284,866)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(67,788)	(98,600)	(98,600)	(98,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	(90,505)	(151,755)	(176,529)	(170,923)	(383,466)	20
Net Increase (Decrease) in Cash & Equivalents	(234,358)	121,910	(222,122)	(406,448)	(525,297)	21
Cash & Equivalents at Beginning of Year	1,079,318	957,408	1,179,530	1,585,978	2,111,275	22
Cash & Equivalents at End of Year	\$844,960	\$1,079,318	\$957,408	\$1,179,530	\$1,585,978	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$3,793,394	\$4,272,373	\$4,259,778	\$4,433,141	\$4,569,064
2 Access Lines	5,279	5,453	5,407	5,846	6,038

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,680,481	\$1,950,391	\$2,059,496	\$2,114,713	\$2,114,856
4 Depreciation and Amortization	663,716	1,262,182	1,045,487	753,199	841,381
5 Other Operations Expense	1,056,248	1,094,535	1,075,531	979,977	1,017,626
6 Total Operation Expenses	3,400,445	4,307,108	4,180,514	3,847,889	3,973,863
7 Income Taxes - Operating Taxes	11,242	(124,435)	(88,131)	64,639	73,993
8 Other Taxes - Operating Taxes	320,015	315,301	310,904	301,695	310,325
9 Capital Costs	61,692	(225,601)	(143,509)	218,918	210,883
10 Total	\$3,793,394	\$4,272,373	\$4,259,778	\$4,433,141	\$4,569,064

PERCENT OF REVENUES

11 Wages and Benefits	44.3	45.7	48.3	47.7	46.3
12 Depreciation and Amortization	17.5	29.5	24.5	17.0	18.4
13 Other Operations Expense	27.8	25.6	25.2	22.1	22.3
14 Income Taxes - Operating Taxes	0.3	(2.9)	(2.1)	1.5	1.6
15 Other Taxes - Operating Taxes	8.4	7.4	7.3	6.8	6.8
16 Capital Costs	1.6	(5.3)	(3.4)	4.9	4.6
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	318.33	357.67	380.89	361.74	350.26
19 Depreciation and Amortization	125.73	231.47	193.36	128.84	139.35
20 Other Operations Expense	200.08	200.72	198.91	167.63	168.54
21 Income Taxes - Operating Taxes	2.13	(22.82)	(16.30)	11.06	12.25
22 Other Taxes - Operating Taxes	60.62	57.82	57.50	51.61	51.40
23 Capital Costs	11.69	(41.37)	(26.54)	37.45	34.93
24 Total	718.58	783.49	787.83	758.32	756.72

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,569,503	\$3,600,790	\$3,577,113	\$3,556,657	\$3,455,598	1
Central Office Assets	8,658,263	8,307,385	8,141,733	7,944,444	7,144,469	2
Information Origination/Termination	63,387	64,912	65,524	67,071	67,832	3
Cable And Wire Facilities	12,336,443	11,942,787	11,763,946	11,236,945	11,050,186	4
Amortizable Assets						5
Total Plant In Service	24,627,596	23,915,874	23,548,316	22,805,117	21,718,085	6
Property Held For Future Use						7
Plant Under Construction	26,895	230,605	359,444	443,639	467,618	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,654,441	24,146,429	23,907,710	23,248,706	22,185,653	13
Less Acc. Prov. For Depreciation & Amort.	20,167,615	19,493,098	18,516,868	17,847,674	17,136,424	14
Net Total Utility Plant	\$4,486,826	\$4,653,331	\$5,390,842	\$5,401,032	\$5,049,229	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.57	3.61	4.04	12.10	10.20	16
Total Capitalization	\$8,021,497	\$8,167,456	\$8,753,617	\$9,308,149	\$9,573,691	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	10.9%	11.8%	12.0%	12.1%	12.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	89.1%	88.2%	88.0%	87.9%	87.5%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-1.40	-12.41	-7.02	0.14	0.20	22
Com. Stock Dividends as a % of Earnings		-9.4%	-26.1%	-104.2%	-87.5%	23
Return on Common Equity	-0.8%	-6.2%	-4.8%	-1.1%	-1.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	58.8%	142.7%	94.7%	82.0%	87.0%	25
CWIP as a % of Plant	0.1%	1.0%	1.5%	1.9%	2.1%	26

Current Assets	1,734,103	1,975,359	2,007,741	2,389,302	2,933,408
Current Liabilities	486,218	547,127	496,660	197,406	287,627
Total Capitalization	8,021,497	8,167,456	8,753,617	9,308,149	9,573,691
Long-Term Debt	874,372	964,877	1,048,844	1,126,773	1,199,096
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,147,125	7,202,579	7,704,773	8,181,376	8,374,595
Short-Term Debt					
Pretax Income	(48,337)	(579,108)	(443,873)	13,085	22,254
Interest Expense	34,613	46,678	63,246	91,917	111,893
Common Dividends Paid		43,138	98,600	98,600	98,600
Net Income (Excl. Preferred Stock Dividends)	(55,454)	(459,056)	(378,003)	(94,619)	(112,647)
Internal Cash	350,690	804,990	1,006,433	998,774	979,943
Cash Outflows for Construction	(595,947)	(563,983)	(1,062,482)	(1,218,047)	(1,126,897)
CWIP	26,895	230,605	359,444	443,639	467,618
Total Plant	24,654,441	24,146,429	23,907,710	23,248,706	22,185,653
Shares Outstanding	580	580	580	580	580
Number of Employees	30	30	30	32	35

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$713,322,863	(\$1,762,783,931)	(\$1,638,090,791)	(\$1,484,168,850)	(\$591,174,690)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,020,469,494	1,172,416,444	1,213,505,532	1,217,966,993	1,229,000,198	2
Changes in Deferred Income Taxes	1,190,075,220	(403,772,011)	(376,559,295)	91,524,748	125,181,991	3
Changes in Working Capital	783,806,975	(317,670,099)	(235,726,795)	(58,124,000)	(108,720,527)	4
Capitalized AFDC - Equity						5
Other	(2,461,905,941)	768,493,976	1,338,773,118	1,471,761,988	219,939,052	6
Total Non-Cash Items	532,445,748	1,219,468,310	1,939,992,560	2,723,129,730	1,465,400,714	7
Net Cash Provided From Operating Activities	<u>1,245,768,611</u>	<u>(543,315,621)</u>	<u>301,901,769</u>	<u>1,238,960,880</u>	<u>874,226,024</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,121,739,850)	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)	9
Purchase of Other Investments				(243,900)	(2,877,094)	10
Sale of Other Investments	400,768,000	9,696,000	31,703,000	64,649,720	53,638,000	11
Other	(27,216,000)	(10,306,625)	(6,996,430)	(10,799,820)	(79,173,000)	12
Net Cash Provided From Investing Activities	<u>(748,187,850)</u>	<u>(1,141,217,769)</u>	<u>(1,112,705,685)</u>	<u>(1,150,229,048)</u>	<u>(1,332,970,081)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(648,143,775)		(1,000,000,000)	(400,000,000)		14
Common Stock						15
Preferred Stock						16
Short-Term Debt	174,270,118	1,695,377,318	1,818,684,493	318,184,404	451,691,329	17
Dividends Paid						18
Other Financing	1,021,245	(3,705,039)	(2,615,124)	(6,916,237)	7,052,729	19
					(972,214)	
Net Cash Provided From Financing Activities	<u>(472,852,412)</u>	<u>1,691,672,278</u>	<u>816,069,369</u>	<u>(88,731,833)</u>	<u>457,771,844</u>	20
Net Increase (Decrease) in Cash & Equivalents	24,728,349	7,138,888	5,265,453	(1)	(972,213)	21
Cash & Equivalents at Beginning of Year	12,404,341	5,265,453	(0)	1	1,231,034	22
Cash & Equivalents at End of Year	\$37,132,690	\$12,404,341	\$5,265,453	(\$0)	\$258,820	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$5,109,592,037	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679
2 Access Lines	3,055,865	3,533,025	4,116,624	4,665,881	5,277,272
DOLLAR AMOUNTS					
3 Wages and Benefits	\$700,209,325	\$4,230,648,523	\$4,102,532,586	\$3,975,787,157	\$2,936,291,598
4 Depreciation and Amortization	1,020,469,494	1,172,416,444	1,213,505,532	1,217,966,993	1,229,000,198
5 Other Operations Expense	2,093,950,100	2,253,537,937	2,073,097,107	2,046,021,754	2,127,242,426
6 Total Operation Expenses	3,814,628,919	7,656,602,903	7,389,135,225	7,239,775,904	6,292,534,222
7 Income Taxes - Operating Taxes	188,186,285	(1,215,871,315)	(1,067,172,236)	(986,825,930)	(677,380,007)
8 Other Taxes - Operating Taxes	449,964,142	409,103,078	463,372,993	420,077,795	450,691,662
9 Capital Costs	656,812,692	(1,810,825,459)	(1,763,503,797)	(1,690,682,996)	(889,889,198)
10 Total	\$5,109,592,037	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679
PERCENT OF REVENUES					
11 Wages and Benefits	13.7	84.0	81.7	79.8	56.7
12 Depreciation and Amortization	20.0	23.3	24.2	24.4	23.7
13 Other Operations Expense	41.0	44.7	41.3	41.1	41.1
14 Income Taxes - Operating Taxes	3.7	(24.1)	(21.3)	(19.8)	(13.1)
15 Other Taxes - Operating Taxes	8.8	8.1	9.2	8.4	8.7
16 Capital Costs	12.9	(35.9)	(35.1)	(33.9)	(17.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	229.14	1,197.46	996.58	852.10	556.40
19 Depreciation and Amortization	333.94	331.84	294.78	261.04	232.89
20 Other Operations Expense	685.22	637.85	503.59	438.51	403.10
21 Income Taxes - Operating Taxes	61.58	(344.14)	(259.23)	(211.50)	(128.36)
22 Other Taxes - Operating Taxes	147.25	115.79	112.56	90.03	85.40
23 Capital Costs	214.94	(512.54)	(428.39)	(362.35)	(168.63)
24 Total	1,672.06	1,426.26	1,219.89	1,067.83	980.80

Notes:

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

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

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,121,514,518	\$3,292,526,951	\$3,311,665,669	\$3,362,887,657	\$3,457,685,558	1
Central Office Assets	9,691,254,479	9,432,087,428	9,235,659,759	11,298,110,583	11,634,028,203	2
Information Origination/Termination	191,220,134	192,173,401	189,115,838	257,751,813	326,827,625	3
Cable And Wire Facilities	13,460,001,807	13,017,851,853	15,841,309,270	14,197,055,055	15,358,946,511	4
Amortizable Assets	990,649,396	938,079,195	907,063,296	283,809,331	311,500,828	5
Total Plant In Service	27,454,640,334	26,872,718,827	29,484,813,832	29,399,614,439	31,088,988,725	6
Property Held For Future Use						7
Plant Under Construction	423,752,041	266,985,753	309,454,674	270,657,792	216,957,298	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	458,548	2,697,644	9,429,471	15,397,450	13,007,288	11
Goodwill						12
Total Telecommunications Plant	27,878,850,923	27,142,402,223	29,803,697,977	29,685,669,681	31,318,953,310	13
Less Acc. Prov. For Depreciation & Amort.	17,362,412,817	16,654,671,344	19,187,261,951	19,126,125,850	20,840,004,083	14
Net Total Utility Plant	\$10,516,438,106	\$10,487,730,879	\$10,616,436,026	\$10,559,543,832	\$10,478,949,227	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.14	0.13	0.16	0.21	0.22	16
Total Capitalization	\$4,415,519,313	\$4,177,631,362	\$4,318,817,262	\$5,017,865,064	\$6,723,324,529	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	13.6%	25.1%	29.0%	44.9%	33.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	-79.1%	-100.7%	-54.9%	-17.0%	11.5%	20
Short-Term Debt	165.5%	175.6%	125.9%	72.1%	55.1%	21
Pretax Coverage of Interest Expense	3.67	-8.38	-7.92	-6.20	-3.27	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-18.5%	53.6%	101.6%	3612.3%	-59.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	111.1%	-47.6%	26.5%	102.9%	67.0%	25
CWIP as a % of Plant	1.5%	1.0%	1.0%	0.9%	0.7%	26

Current Assets	1,171,633,564	1,025,188,884	967,117,679	970,776,212	1,061,263,345
Current Liabilities	8,480,024,028	7,659,890,320	5,994,294,183	4,614,761,501	4,806,996,212
Total Capitalization	4,415,519,313	4,177,631,362	4,318,817,262	5,017,865,064	6,723,324,529
Long-Term Debt	599,210,014	1,049,886,042	1,250,713,781	2,250,735,680	2,251,102,617
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(3,492,532,839)	(4,206,159,390)	(2,370,554,036)	(852,802,724)	770,630,761
Short-Term Debt	7,308,842,139	7,333,904,710	5,438,657,517	3,619,932,108	3,701,591,151
Pretax Income	1,325,959,115	(2,685,843,337)	(2,401,271,531)	(2,114,458,214)	(962,842,087)
Interest Expense	360,973,951	320,324,314	303,059,066	341,143,136	294,758,451
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	713,322,863	(1,762,783,931)	(1,638,090,791)	(1,484,168,850)	(591,174,690)
Internal Cash	1,245,768,611	(543,315,621)	301,901,769	1,238,960,880	874,226,024
Cash Outflows for Construction	(1,121,739,850)	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)
CWIP	423,752,041	266,985,752	309,454,674	270,657,792	216,957,298
Total Plant	27,878,850,923	27,142,402,222	29,803,697,975	29,685,669,681	31,318,953,310
Shares Outstanding	1	1	1	1	1
Number of Employees	15,083	15,440	16,223	16,397	19,673

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$77,920)	\$81,900	\$122,203	(\$276,516)	(\$331,421)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	314,076	324,527	407,179	\$513,969	591,808	2
Changes in Deferred Income Taxes	(18,215)	(13,311)	15,823	(42,935)	(29,970)	3
Changes in Working Capital	146,695	(405,341)	409,984	137,153	(452,405)	4
Capitalized AFDC - Equity						5
Other	(127,387)	327,395	(238,229)	76,635	(197,966)	6
Total Non-Cash Items	315,169	233,270	594,757	684,822	(88,533)	7
Net Cash Provided From Operating Activities	<u>237,249</u>	<u>315,170</u>	<u>716,960</u>	<u>408,306</u>	<u>(419,954)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(200,500)	(211,421)	(190,985)	(182,098)	(185,359)	9
Purchase of Other Investments	(1,345,752)	(171,849)	(792,696)	(293,526)	(274,465)	10
Sale of Other Investments	1,376,731	212,456	311,560	303,507	953,389	11
Other						12
Net Cash Provided From Investing Activities	<u>(169,521)</u>	<u>(170,814)</u>	<u>(672,121)</u>	<u>(172,117)</u>	<u>493,565</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(78,500)	(78,500)	(78,500)	(53,095)	(37,551)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(78,500)</u>	<u>(78,500)</u>	<u>(78,500)</u>	<u>(53,095)</u>	<u>(37,551)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(10,772)	65,856	(33,661)	183,094	36,060	21
Cash & Equivalents at Beginning of Year	410,867	345,011	378,672	195,578	159,518	22
Cash & Equivalents at End of Year	\$400,095	\$410,867	\$345,011	\$378,672	\$195,578	23

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

	2013	2012	2011	2010	2009
1 Revenues	2,334,966	\$2,453,642	\$2,636,847	\$2,540,848	\$2,524,657
2 Access Lines	2,528	2,687	2,812	2,987	3,147
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,509,964	\$1,529,985	\$1,515,539	\$1,442,021	\$1,493,698
4 Depreciation and Amortization	315,365	324,311	406,963	511,246	563,765
5 Other Operations Expense	784,304	729,714	691,749	733,077	784,829
6 Total Operation Expenses	2,609,633	2,584,010	2,614,251	2,686,344	2,842,292
7 Income Taxes - Operating Taxes	(143,929)	(102,771)	(51,570)	(108,054)	(211,335)
8 Other Taxes - Operating Taxes	144,278	141,549	144,176	168,103	174,985
9 Capital Costs	(275,016)	(169,146)	(70,010)	(205,545)	(281,285)
10 Total	\$2,334,966	\$2,453,642	\$2,636,847	\$2,540,848	\$2,524,657
PERCENT OF REVENUES					
11 Wages and Benefits	64.7	62.4	57.5	56.8	59.2
12 Depreciation and Amortization	13.5	13.2	15.4	20.1	22.3
13 Other Operations Expense	33.6	29.7	26.2	28.9	31.1
14 Income Taxes - Operating Taxes	(6.2)	(4.2)	(2.0)	(4.3)	(8.4)
15 Other Taxes - Operating Taxes	6.2	5.8	5.5	6.6	6.9
16 Capital Costs	(11.8)	(6.9)	(2.7)	(8.1)	(11.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	597.30	569.40	538.95	482.77	474.64
19 Depreciation and Amortization	124.75	120.70	144.72	171.16	179.14
20 Other Operations Expense	310.25	271.57	246.00	245.42	249.39
21 Income Taxes - Operating Taxes	(56.93)	(38.25)	(18.34)	(36.17)	(67.15)
22 Other Taxes - Operating Taxes	57.07	52.68	51.27	56.28	55.60
23 Capital Costs	(108.79)	(62.95)	(24.90)	(68.81)	(89.38)
24 Total	923.64	913.15	937.71	850.64	802.24

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,560,696	\$2,608,044	\$2,657,712	\$2,662,111	\$2,680,058	1
Central Office Assets	3,216,489	3,220,763	3,197,373	3,159,974	3,120,567	2
Information Origination/Termination	80,755	81,258	82,387	83,613	85,061	3
Cable And Wire Facilities	5,608,690	5,523,008	5,428,657	5,321,102	5,237,149	4
Amortizable Assets	45	45	45	45	45	5
Total Plant In Service	11,466,675	11,433,118	11,366,174	11,226,845	11,122,880	6
Property Held For Future Use						7
Plant Under Construction	13,824	48,713	31,788	46,095	30,436	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,480,499	11,481,831	11,397,962	11,272,940	11,153,316	13
Less Acc. Prov. For Depreciation & Amort.	9,297,324	9,154,575	8,932,359	8,576,991	8,101,865	14
Net Total Utility Plant	\$2,183,175	\$2,327,256	\$2,465,603	\$2,695,949	\$3,051,451	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.02	13.89	1.51	6.05	-9.97	16
Total Capitalization	\$4,224,049	\$4,149,294	\$4,500,607	\$4,241,557	\$4,533,378	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	12.2%	14.3%	15.0%	17.7%	17.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	87.8%	85.7%	85.0%	82.3%	82.2%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-7.96	0.88	3.87	-6.46	-7.69	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-2.1%	2.2%	3.3%	-7.7%	-8.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	118.3%	149.1%	375.4%	224.2%	-226.6%	25
CWIP as a % of Plant	0.1%	0.4%	0.3%	0.4%	0.3%	26

Current Assets	665,971	695,762	648,224	718,253	550,811
Current Liabilities	132,633	50,088	428,418	118,714	(55,241)
Total Capitalization	4,224,049	4,149,294	4,500,607	4,241,557	4,533,378
Long-Term Debt	516,792	595,292	673,792	752,292	805,387
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,707,257	3,554,002	3,826,815	3,489,265	3,727,991
Short-Term Debt					
Pretax Income	(181,914)	23,029	114,048	(327,638)	(498,391)
Interest Expense	22,844	26,313	29,481	50,738	64,847
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(77,920)	81,900	122,203	(276,516)	(331,421)
Internal Cash	237,249	315,170	716,960	408,306	(419,954)
Cash Outflows for Construction	(200,500)	(211,421)	(190,985)	(182,098)	(185,359)
CWIP	13,824	48,713	31,788	46,095	30,436
Total Plant	11,480,499	11,481,831	11,397,962	11,272,940	11,153,316
Shares Outstanding	23	23	23	23	23
Number of Employees	20	20	20	20	20

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$645,237	(\$279,365)	(\$637,654)	(\$13,909)	(\$227,115)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	290,175	284,829	284,999	290,941	299,350	2
Changes in Deferred Income Taxes	(288,392)	(243,705)	(249,465)	(168,238)	(291,898)	3
Changes in Working Capital	1,069,765	(129,073)	(106,836)	264,186	845,153	4
Capitalized AFDC - Equity						5
Other	(1,030,588)	58,020	446,677	(54,657)	15,410	6
Total Non-Cash Items	40,960	(29,929)	375,375	332,232	868,015	7
Net Cash Provided From Operating Activities	<u>686,197</u>	<u>(309,294)</u>	<u>(262,279)</u>	<u>318,323</u>	<u>640,900</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(3,074)	(64,223)	(28,356)	(82,982)	(49,231)	9
Purchase of Other Investments	124,655	(355,710)	15,426	(10,209)	(588,362)	10
Sale of Other Investments	16,688		1,723	13,725		11
Other						12
Net Cash Provided From Investing Activities	<u>138,269</u>	<u>(419,933)</u>	<u>(11,207)</u>	<u>(79,466)</u>	<u>(637,593)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(139,461)	(19,195)	(180,146)	(241,363)	(226,692)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(581,810)	902,820	(18,503)	22,685	(10,134)	17
Dividends Paid	(6,000)	(6,000)	(7,034)	(8,067)	(8,067)	18
Other Financing	(111,390)	(186,518)	393,124			19
Net Cash Provided From Financing Activities	<u>(838,661)</u>	<u>691,107</u>	<u>187,441</u>	<u>(226,745)</u>	<u>(244,893)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(14,195)	(38,120)	(86,045)	12,112	(241,586)	21
Cash & Equivalents at Beginning of Year	3,933	42,053	128,098	115,986	357,572	22
Cash & Equivalents at End of Year	(\$10,262)	\$3,933	\$42,053	\$128,098	\$115,986	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,180,051	\$1,461,087	\$1,746,260	\$2,157,188	\$2,277,533
2 Access Lines	1,238	1,313	1,419	1,556	1,706

DOLLAR AMOUNTS

3 Wages and Benefits	\$593,405	\$667,280	\$565,501	\$1,036,957	\$1,227,171
4 Depreciation and Amortization	271,068	261,668	257,511	259,412	265,627
5 Other Operations Expense	675,970	654,091	973,465	727,037	815,898
6 Total Operation Expenses	1,540,443	1,583,039	1,796,477	2,023,406	2,308,696
7 Income Taxes - Operating Taxes	(224,756)	(125,774)	(99,166)	(54,461)	(104,313)
8 Other Taxes - Operating Taxes	95,404	125,670	133,788	139,883	151,966
9 Capital Costs	(231,041)	(121,848)	(84,840)	48,360	(78,816)
10 Total	\$1,180,051	\$1,461,087	\$1,746,260	\$2,157,188	\$2,277,533

PERCENT OF REVENUES

11 Wages and Benefits	50.3	45.7	32.4	48.1	53.9
12 Depreciation and Amortization	23.0	17.9	14.7	12.0	11.7
13 Other Operations Expense	57.3	44.8	55.7	33.7	35.8
14 Income Taxes - Operating Taxes	(19.0)	(8.6)	(5.7)	(2.5)	(4.6)
15 Other Taxes - Operating Taxes	8.1	8.6	7.7	6.5	6.7
16 Capital Costs	(19.6)	(8.3)	(4.9)	2.2	(3.5)
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	479.33	508.21	398.52	666.42	719.33
19 Depreciation and Amortization	218.96	199.29	181.47	166.72	155.70
20 Other Operations Expense	546.02	498.17	686.02	467.25	478.25
21 Income Taxes - Operating Taxes	(181.55)	(95.79)	(69.88)	(35.00)	(61.14)
22 Other Taxes - Operating Taxes	77.06	95.71	94.28	89.90	89.08
23 Capital Costs	(186.62)	(92.80)	(59.79)	31.08	(46.20)
24 Total	953.19	1,112.79	1,230.63	1,386.37	1,335.01

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,809,294	\$2,908,462	\$2,851,753	\$2,866,695	\$2,997,056	1
Central Office Assets	1,772,363	1,771,251	1,771,251	1,766,772	1,786,517	2
Information Origination/Termination	205,230	205,230	205,230	205,230	205,230	3
Cable And Wire Facilities	5,037,032	5,033,700	5,031,315	5,012,230	4,972,331	4
Amortizable Assets	150	150	150	150	150	5
Total Plant In Service	9,824,069	9,918,793	9,859,699	9,851,077	9,961,285	6
Property Held For Future Use						7
Plant Under Construction		2,241	588	1,128	27,666	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,824,069	9,921,034	9,860,287	9,852,205	9,988,951	13
Less Acc. Prov. For Depreciation & Amort.	8,342,256	8,135,383	7,844,470	7,573,937	7,491,166	14
Net Total Utility Plant	\$1,481,813	\$1,785,650	\$2,015,817	\$2,278,268	\$2,497,785	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.14	0.46	0.83	0.76	1.02	16
Total Capitalization	\$2,693,241	\$2,886,591	\$2,474,849	\$2,925,064	\$3,165,718	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	37.0%	38.8%	46.4%	45.0%	47.4%	18
Preferred Stock	3.7%	3.5%	4.0%	3.4%	3.2%	19
Common Stock & Retained Earnings	40.2%	19.2%	41.5%	43.7%	41.1%	20
Short-Term Debt	19.1%	38.5%	8.1%	7.9%	8.4%	21
Pretax Coverage of Interest Expense	4.15	-2.56	-6.59	0.47	-1.56	22
Com. Stock Dividends as a % of Earnings			-0.2%	-10.4%	-0.9%	23
Return on Common Equity	78.1%	-36.1%	-55.8%	-1.5%	-16.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	22322.6%	-481.6%	-924.9%	383.6%	1301.8%	25
CWIP as a % of Plant		0.0%	0.0%	0.0%	0.3%	26

Current Assets	235,400	849,378	828,294	687,668	625,151
Current Liabilities	1,710,198	1,862,869	1,001,355	910,728	611,056
Total Capitalization	2,693,241	2,886,591	2,474,849	2,925,064	3,165,718
Long-Term Debt	996,057	1,119,713	1,148,343	1,316,784	1,498,984
Preferred Stock	100,000	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,082,762	554,840	1,026,724	1,278,290	1,300,266
Short-Term Debt	514,422	1,112,037	199,782	229,990	266,468
Pretax Income	552,655	(292,234)	(640,176)	59,631	(200,916)
Interest Expense	133,299	113,962	97,076	125,740	128,662
Common Dividends Paid			1,034	2,067	2,067
Net Income (Excl. Preferred Stock Dividends)	639,237	(285,365)	(643,654)	(19,909)	(233,115)
Internal Cash	686,197	(309,294)	(262,279)	318,323	640,900
Cash Outflows for Construction	(3,074)	(64,223)	(28,356)	(82,982)	(49,231)
CWIP		2,241	588	1,128	27,666
Total Plant	9,824,069	9,921,034	9,860,287	9,852,205	9,988,951
Shares Outstanding	581	689	689	689	689
Number of Employees	24	16	14	16	17

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$322,030	\$553,167	\$264,554	\$568,674	\$1,501,054	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	914,783	1,957,206	2,158,526	2,128,298	2,095,799	2
Changes in Deferred Income Taxes	(172,459)	(78,672)	(78,672)	(78,672)	164,329	3
Changes in Working Capital	(4,605,766)	3,300,683	1,354,927	398,933	408,710	4
Capitalized AFDC - Equity						5
Other	(32,470)	(357,468)	(145,936)	(672,113)	(628,873)	6
Total Non-Cash Items	(3,895,912)	4,821,749	3,288,845	1,776,447	2,039,966	7
Net Cash Provided From Operating Activities	<u>(3,573,882)</u>	<u>5,374,916</u>	<u>3,553,399</u>	<u>2,345,121</u>	<u>3,541,020</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(79,959)	(667,553)	(588,896)	(519,557)	(704,079)	9
Purchase of Other Investments	3,653,841	(4,564,216)	(2,383,585)	(1,813,512)	(2,805,521)	10
Sale of Other Investments						11
Other			(56,706)	(58,490)	(101,597)	12
Net Cash Provided From Investing Activities	<u>3,573,882</u>	<u>(5,231,769)</u>	<u>(3,029,187)</u>	<u>(2,391,559)</u>	<u>(3,611,197)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(143,148)	(522,681)	49,946	46,399	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(143,148)</u>	<u>(522,681)</u>	<u>49,946</u>	<u>46,399</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	1	1,532	3,509	(23,778)	21
Cash & Equivalents at Beginning of Year	0	(0)	(1,532)	(5,041)	18,736	22
Cash & Equivalents at End of Year	\$0	\$0	(\$0)	(\$1,532)	(\$5,041)	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$6,234,978	\$7,435,614	\$7,626,528	\$8,019,602	\$8,773,815
2 Access Lines	9,039	9,947	11,046	12,225	13,484
DOLLAR AMOUNTS					
3 Wages and Benefits	\$940,612	\$1,142,841	\$1,073,687	\$1,091,261	\$1,074,064
4 Depreciation and Amortization	1,399,162	2,076,675	2,158,526	2,128,298	2,095,799
5 Other Operations Expense	2,776,106	2,748,121	3,539,533	3,251,254	2,425,845
6 Total Operation Expenses	5,115,880	5,967,636	6,771,746	6,470,813	5,595,709
7 Income Taxes - Operating Taxes	(72,009)	8,206	(103,734)	26,752	638,431
8 Other Taxes - Operating Taxes	593,340	611,984	450,356	627,711	689,284
9 Capital Costs	597,767	847,788	508,160	894,326	1,850,391
10 Total	\$6,234,978	\$7,435,614	\$7,626,528	\$8,019,602	\$8,773,815
PERCENT OF REVENUES					
11 Wages and Benefits	15.1	15.4	14.1	13.6	12.2
12 Depreciation and Amortization	22.4	27.9	28.3	26.5	23.9
13 Other Operations Expense	44.5	37.0	46.4	40.5	27.6
14 Income Taxes - Operating Taxes	(1.2)	0.1	(1.4)	0.3	7.3
15 Other Taxes - Operating Taxes	9.5	8.2	5.9	7.8	7.9
16 Capital Costs	9.6	11.4	6.7	11.2	21.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	104.06	114.89	97.20	89.26	79.65
19 Depreciation and Amortization	154.79	208.77	195.41	174.09	155.43
20 Other Operations Expense	307.13	276.28	320.44	265.95	179.91
21 Income Taxes - Operating Taxes	(7.97)	0.83	(9.39)	2.19	47.35
22 Other Taxes - Operating Taxes	65.64	61.52	40.77	51.35	51.12
23 Capital Costs	66.13	85.23	46.00	73.16	137.23
24 Total	689.79	747.52	690.43	656.00	650.68

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,088,537	\$3,196,387	\$3,262,443	\$3,268,439	\$3,260,102	1
Central Office Assets	20,671,470	20,750,031	20,424,002	20,133,459	19,838,454	2
Information Origination/Termination	134,009	134,009	134,008	134,008	134,008	3
Cable And Wire Facilities	24,335,415	24,029,761	23,484,253	23,202,493	22,938,735	4
Amortizable Assets						5
Total Plant In Service	48,229,430	48,110,187	47,304,706	46,738,399	46,171,299	6
Property Held For Future Use						7
Plant Under Construction	137,276	176,560	314,487	291,899	339,440	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	48,366,706	48,286,747	47,619,193	47,030,298	46,510,739	13
Less Acc. Prov. For Depreciation & Amort.	40,800,406	39,885,623	37,928,414	35,826,594	33,756,769	14
Net Total Utility Plant	\$7,566,300	\$8,401,124	\$9,690,779	\$11,203,704	\$12,753,970	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.07	0.28	0.54	0.76	0.97	16
Total Capitalization	\$32,874,831	\$32,552,801	\$32,502,259	\$32,908,082	\$32,969,960	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt			1.1%	1.5%	3.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	98.5%	96.4%	94.5%	20
Short-Term Debt			0.4%	2.0%	1.9%	21
Pretax Coverage of Interest Expense	#DIV/0!	62.99	6.72	8.67	17.59	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.0%	1.7%	0.8%	1.8%	4.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-3554.8%	929.9%	722.4%	591.9%	597.3%	25
CWIP as a % of Plant	0.3%	0.4%	0.7%	0.6%	0.7%	26

Current Assets	1,497,492	1,727,791	1,589,578	1,597,088	2,059,585
Current Liabilities	1,393,863	6,216,652	2,921,099	2,102,217	2,129,618
Total Capitalization	32,874,831	32,552,801	32,502,259	32,908,082	32,969,960
Long-Term Debt			359,477	502,624	1,172,862
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	32,874,831	32,552,801	31,999,634	31,735,079	31,166,405
Short-Term Debt			143,148	670,379	630,693
Pretax Income	525,653	846,628	407,340	920,000	2,499,663
Interest Expense		13,441	60,596	106,132	142,130
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	322,030	553,167	264,553	568,674	1,501,055
Internal Cash	(2,842,383)	6,207,465	4,254,208	3,075,391	4,205,753
Cash Outflows for Construction	(79,959)	(667,553)	(588,896)	(519,557)	(704,079)
CWIP	137,276	176,560	314,487	291,899	339,440
Total Plant	48,366,706	48,286,747	47,619,193	47,030,298	46,510,741
Shares Outstanding	131,026	131,026	131,026	131,026	131,026
Number of Employees	10	10	14	15	15

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$31,064	(\$67,053)	\$211,035	\$146,937	(\$135,817)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	618,512	592,119	578,687	599,794	606,765	2
Changes in Deferred Income Taxes	(91,222)	281,313	(1,399)	77,363	(32,734)	3
Changes in Working Capital	(48,742)	(284,344)	(92,645)	(51,092)	100,202	4
Capitalized AFDC - Equity						5
Other	(111,090)	(248,630)	(165,517)	(161,638)	7,734	6
Total Non-Cash Items	367,458	340,458	319,126	464,427	681,967	7
Net Cash Provided From Operating Activities	<u>398,522</u>	<u>273,405</u>	<u>530,161</u>	<u>611,364</u>	<u>546,150</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(182,322)	(528,455)	(356,000)	(165,484)	(27,176)	9
Purchase of Other Investments	(1,174,261)	(604,293)	(1,967,155)	(568,998)	(664,594)	10
Sale of Other Investments	877,778	399,756	1,660,086	311,241	389,057	11
Other		773,850				12
Net Cash Provided From Investing Activities	<u>(478,805)</u>	<u>40,858</u>	<u>(663,069)</u>	<u>(423,241)</u>	<u>(302,713)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(165,622)	70,141	(338,593)	(208,051)		14
Common Stock					(100)	15
Preferred Stock	(3,000)	(5,000)	(200)	(1,400)	(608,024)	16
Short-Term Debt						17
Dividends Paid	(3,306)	(3,588)	(3,786)	(3,813)	(3,888)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(171,928)</u>	<u>61,553</u>	<u>(342,579)</u>	<u>(213,264)</u>	<u>(612,012)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(252,211)	375,816	(475,487)	(25,141)	(368,575)	21
Cash & Equivalents at Beginning of Year	914,633	538,817	1,014,304	1,039,444	1,408,019	22
Cash & Equivalents at End of Year	\$662,422	\$914,633	\$538,817	\$1,014,304	\$1,039,444	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,156,151	\$2,371,046	\$2,820,077	\$3,410,376	\$2,452,351
2 Access Lines	1,861	1,964	2,129	2,327	2,635
DOLLAR AMOUNTS					
3 Wages and Benefits	\$773,689	\$792,750	\$851,740	\$820,433	\$886,315
4 Depreciation and Amortization	594,360	569,901	555,350	586,851	606,765
5 Other Operations Expense	888,218	874,563	1,130,383	1,448,320	839,430
6 Total Operation Expenses	2,256,267	2,237,214	2,537,473	2,855,604	2,332,510
7 Income Taxes - Operating Taxes	(121,931)	258,041	(2,543)	22,077	(176,050)
8 Other Taxes - Operating Taxes	187,048	214,451	210,129	211,266	218,124
9 Capital Costs	(165,233)	(338,660)	75,018	321,429	77,767
10 Total	\$2,156,151	\$2,371,046	\$2,820,077	\$3,410,376	\$2,452,351
PERCENT OF REVENUES					
11 Wages and Benefits	35.9	33.4	30.2	24.1	36.1
12 Depreciation and Amortization	27.6	24.0	19.7	17.2	24.7
13 Other Operations Expense	41.2	36.9	40.1	42.5	34.2
14 Income Taxes - Operating Taxes	(5.7)	10.9	(0.1)	0.6	(7.2)
15 Other Taxes - Operating Taxes	8.7	9.0	7.5	6.2	8.9
16 Capital Costs	(7.7)	(14.3)	2.7	9.4	3.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	415.74	403.64	400.07	352.57	336.36
19 Depreciation and Amortization	319.38	290.17	260.85	252.19	230.27
20 Other Operations Expense	477.28	445.30	530.95	622.40	318.57
21 Income Taxes - Operating Taxes	(65.52)	131.39	(1.19)	9.49	(66.81)
22 Other Taxes - Operating Taxes	100.51	109.19	98.70	90.79	82.78
23 Capital Costs	(88.79)	(172.43)	35.24	138.13	29.51
24 Total	1,158.60	1,207.25	1,324.60	1,465.57	930.68

Current Assets	4,526,617	4,859,988	2,655,333	2,815,018	2,400,833
Current Liabilities	2,011,258	2,639,814	1,965,211	1,780,064	1,004,993
Total Capitalization	13,101,249	12,786,979	13,009,160	13,198,841	13,544,827
Long-Term Debt	3,253,319	3,418,941	3,348,800	3,687,392	3,895,443
Preferred Stock	25,150	28,150	33,150	33,350	34,750
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,822,780	9,339,888	9,627,210	9,478,099	9,614,634
Short-Term Debt					
Pretax Income	77,150	392,559	379,806	591,887	(122,869)
Interest Expense	134,529	173,291	169,618	342,802	221,073
Common Dividends Paid	1,797	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	29,555	(68,844)	209,046	144,921	(137,908)
Internal Cash	398,522	273,405	530,161	611,364	546,151
Cash Outflows for Construction	(182,322)	(528,455)	(356,000)	(165,484)	(27,176)
CWIP			426	441	142
Total Plant	13,700,710	13,610,053	13,823,094	13,784,397	15,335,235
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	10	10	12	13	14

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$128,166)	\$47,452	\$191,430	(\$21,788)	\$125,635	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	604,908	595,476	602,633	600,324	593,297	2
Changes in Deferred Income Taxes	(45,321)	(6,717)	85,616	(23,940)	38,557	3
Changes in Working Capital	(480,927)	159,135	(812,850)	(157,022)	(340,757)	4
Capitalized AFDC - Equity						5
Other	(157,339)	(35,308)	(8,397)	39,549	104,266	6
Total Non-Cash Items	(78,679)	712,586	(132,998)	458,911	395,363	7
Net Cash Provided From Operating Activities	<u>(206,845)</u>	<u>760,038</u>	<u>58,432</u>	<u>437,123</u>	<u>520,998</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(219,623)	(384,025)	(107,912)	(303,696)	(168,764)	9
Purchase of Other Investments	(913,980)	(822,247)	(1,013,637)	(555,531)	(569,994)	10
Sale of Other Investments	1,703,565	880,352	1,041,689	1,167,019	590,403	11
Other	81,156	54,645	(3,497)	49,476		12
Net Cash Provided From Investing Activities	<u>651,118</u>	<u>(271,275)</u>	<u>(83,357)</u>	<u>357,268</u>	<u>(148,355)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(242,956)	(364,893)	(239,413)	(357,530)	(308,516)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt				(39,533)		17
Dividends Paid	(48,975)	(49,073)	(43,928)	(43,686)	(43,532)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(291,931)</u>	<u>(413,966)</u>	<u>(283,341)</u>	<u>(440,749)</u>	<u>(352,048)</u>	20
Net Increase (Decrease) in Cash & Equivalents	152,342	74,797	(308,266)	353,642	20,595	21
Cash & Equivalents at Beginning of Year	431,099	356,302	664,568	310,926	290,331	22
Cash & Equivalents at End of Year	\$583,441	\$431,099	\$356,302	\$664,568	\$310,926	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$3,162,242	\$3,439,762	\$3,610,130	\$3,296,261	\$3,480,943
2 Access Lines	2,014	2,140	2,307	2,587	2,938
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,286,581	\$1,288,927	\$1,217,304	\$1,181,208	\$998,944
4 Depreciation and Amortization	604,908	594,276	601,433	599,124	592,098
5 Other Operations Expense	1,476,894	1,449,082	1,360,035	1,395,821	1,331,990
6 Total Operation Expenses	3,368,383	3,332,285	3,178,772	3,176,153	2,923,032
7 Income Taxes - Operating Taxes	(66,421)	(22,763)	73,308	(24,095)	(20,593)
8 Other Taxes - Operating Taxes	157,413	157,820	162,480	155,480	244,892
9 Capital Costs	(297,133)	(27,580)	195,570	(11,277)	333,612
10 Total	\$3,162,242	\$3,439,762	\$3,610,130	\$3,296,261	\$3,480,943
PERCENT OF REVENUES					
11 Wages and Benefits	40.7	37.5	33.7	35.8	28.7
12 Depreciation and Amortization	19.1	17.3	16.7	18.2	17.0
13 Other Operations Expense	46.7	42.1	37.7	42.3	38.3
14 Income Taxes - Operating Taxes	(2.1)	(0.7)	2.0	(0.7)	(0.6)
15 Other Taxes - Operating Taxes	5.0	4.6	4.5	4.7	7.0
16 Capital Costs	(9.4)	(0.8)	5.4	(0.3)	9.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	638.82	602.30	527.66	456.59	340.01
19 Depreciation and Amortization	300.35	277.70	260.70	231.59	201.53
20 Other Operations Expense	733.31	677.14	589.53	539.55	453.37
21 Income Taxes - Operating Taxes	(32.98)	(10.64)	31.78	(9.31)	(7.01)
22 Other Taxes - Operating Taxes	78.16	73.75	70.43	60.10	83.35
23 Capital Costs	(147.53)	(12.89)	84.77	(4.36)	113.55
24 Total	1,570.13	1,607.37	1,564.86	1,274.16	1,184.80

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,309,065	\$2,277,615	\$2,579,895	\$2,449,951	\$2,331,420	1
Central Office Assets	3,630,818	3,743,549	3,698,814	3,716,579	3,659,465	2
Information Origination/Termination	112,129	109,821	115,689	117,318	97,796	3
Cable And Wire Facilities	6,669,323	6,628,121	6,530,424	6,452,762	6,347,519	4
Amortizable Assets						5
Total Plant In Service	12,721,335	12,759,106	12,924,822	12,736,610	12,436,200	6
Property Held For Future Use						7
Plant Under Construction	133,325	80,943	22,936	111,995	84,217	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,854,660	12,840,049	12,947,758	12,848,605	12,520,417	13
Less Acc. Prov. For Depreciation & Amort.	6,276,308	5,838,830	5,747,843	5,206,547	4,596,333	14
Net Total Utility Plant	\$6,578,352	\$7,001,219	\$7,199,915	\$7,642,058	\$7,924,084	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.75	3.15	3.29	2.72	2.43	16
Total Capitalization	\$9,922,601	\$10,031,256	\$10,281,407	\$10,300,084	\$10,634,446	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	2.6%	4.1%	6.5%	8.0%	9.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.1%	93.4%	90.6%	88.9%	86.1%	20
Short-Term Debt	3.3%	2.5%	2.9%	3.1%	4.2%	21
Pretax Coverage of Interest Expense	-8.51	2.01	6.01	0.36	2.82	22
Com. Stock Dividends as a % of Earnings	-38.2%	103.4%	22.9%	-200.5%	34.6%	23
Return on Common Equity	-1.4%	0.5%	2.1%	-0.2%	1.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-94.2%	197.9%	54.1%	143.9%	282.3%	25
CWIP as a % of Plant	1.0%	0.6%	0.2%	0.9%	0.7%	26

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$30,913	(\$657)	\$12,014	\$31,819	\$48,597	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	78,917	78,404	106,226	96,163	87,812	2
Changes in Deferred Income Taxes	(16,913)	2,509	(6,168)	57,134	(21,888)	3
Changes in Working Capital	(24,639)	(31,154)	143,772	(75,305)	10,306	4
Capitalized AFDC - Equity						5
Other	(33,336)	(19,139)	3,361	(5,951)	5,235	6
Total Non-Cash Items	4,029	30,620	247,191	72,041	81,465	7
Net Cash Provided From Operating Activities	<u>34,942</u>	<u>29,963</u>	<u>259,205</u>	<u>103,860</u>	<u>130,062</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(10,903)	(15,732)	(53,004)	(361,997)	(165,784)	9
Purchase of Other Investments						10
Sale of Other Investments	10,951	(840)	(25,598)	10,171		11
Other						12
Net Cash Provided From Investing Activities	<u>48</u>	<u>(16,572)</u>	<u>(78,602)</u>	<u>(351,826)</u>	<u>(165,784)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(431,000)		(162,000)			18
Other Financing				(607,000)		19
Net Cash Provided From Financing Activities	<u>(431,000)</u>	<u>0</u>	<u>(162,000)</u>	<u>(607,000)</u>	<u>0</u>	20
Net Increase (Decrease) in Cash & Equivalents	(396,010)	13,391	18,603	(854,966)	(35,722)	21
Cash & Equivalents at Beginning of Year	788,165	774,774	756,171	1,611,138	1,646,859	22
Cash & Equivalents at End of Year	\$392,155	\$788,165	\$774,774	\$756,171	\$1,611,138	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$379,705	\$346,860	\$428,493	\$444,547	\$432,157
2 Access Lines	343	366	409	436	474
DOLLAR AMOUNTS					
3 Wages and Benefits	\$100,641	\$111,122	\$92,869	\$96,698	\$0
4 Depreciation and Amortization	78,917	78,404	106,226	96,163	87,805
5 Other Operations Expense	129,417	135,491	223,939	158,071	247,554
6 Total Operation Expenses	308,975	325,017	423,034	350,932	335,359
7 Income Taxes - Operating Taxes	16,299	(1,361)	(6,962)	23,962	22,696
8 Other Taxes - Operating Taxes	24,217	25,731	26,733	25,268	32,357
9 Capital Costs	30,214	(2,527)	(14,312)	44,385	41,745
10 Total	\$379,705	\$346,860	\$428,493	\$444,547	\$432,157
PERCENT OF REVENUES					
11 Wages and Benefits	26.5	32.0	21.7	21.8	0.0
12 Depreciation and Amortization	20.8	22.6	24.8	21.6	20.3
13 Other Operations Expense	34.1	39.1	52.3	35.6	57.3
14 Income Taxes - Operating Taxes	4.3	(0.4)	(1.6)	5.4	5.3
15 Other Taxes - Operating Taxes	6.4	7.4	6.2	5.7	7.5
16 Capital Costs	8.0	(0.7)	(3.3)	10.0	9.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	293.41	303.61	227.06	221.78	0.00
19 Depreciation and Amortization	230.08	214.22	259.72	220.56	185.24
20 Other Operations Expense	377.31	370.19	547.53	362.55	522.27
21 Income Taxes - Operating Taxes	47.52	(3.72)	(17.02)	54.96	47.88
22 Other Taxes - Operating Taxes	70.60	70.30	65.36	57.95	68.26
23 Capital Costs	88.09	(6.90)	(34.99)	101.80	88.07
24 Total	1,107.01	947.70	1,047.66	1,019.60	911.72

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$108,040	\$139,798	\$139,798	\$139,798	\$365,959	1
Central Office Assets	416,504	397,993	397,993	342,254	377,125	2
Information Origination/Termination						3
Cable And Wire Facilities	1,004,453	1,006,464	1,005,807	996,718	949,342	4
Amortizable Assets	20,518	16,145	8,024	10,884	10,246	5
Total Plant In Service	1,549,515	1,560,400	1,551,622	1,489,654	1,702,672	6
Property Held For Future Use						7
Plant Under Construction	256	256	194	2,240	32,084	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	1,549,771	1,560,656	1,551,816	1,491,894	1,734,756	13
Less Acc. Prov. For Depreciation & Amort.	862,726	794,646	723,973	636,427	1,134,953	14
Net Total Utility Plant	\$687,045	\$766,010	\$827,843	\$855,467	\$599,803	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.91	10.17	5.79	12.24	20.13	16
Total Capitalization	\$959,566	\$1,386,312	\$1,383,388	\$1,532,161	\$2,106,106	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	-999.00	18643.00	#DIV/0!	#DIV/0!	22
Com. Stock Dividends as a % of Earnings	1394.2%	0.0%	1348.4%	1907.7%	0.0%	23
Return on Common Equity	2.6%	0.0%	0.8%	1.7%	2.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	320.5%	190.5%	489.0%	28.7%	78.5%	25
CWIP as a % of Plant	0.0%	0.0%	0.0%	0.2%	1.8%	26

Current Assets	439,303	827,565	827,356	884,913	1,671,939
Current Liabilities	63,613	81,343	142,938	72,315	83,048
Total Capitalization	959,566	1,386,312	1,383,388	1,532,161	2,106,106
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	959,566	1,386,312	1,383,388	1,532,161	2,106,106
Short-Term Debt					
Pretax Income	47,589	(999)	18,643	49,030	74,859
Interest Expense		1	1		
Common Dividends Paid	431,000		162,000	607,000	
Net Income (Excl. Preferred Stock Dividends)	30,913	(657)	12,014	31,819	48,597
Internal Cash	34,942	29,963	259,205	103,860	130,063
Cash Outflows for Construction	(10,903)	(15,732)	(53,004)	(361,997)	(165,784)
CWIP	256	256	194	2,240	32,084
Total Plant	1,549,771	1,560,656	1,551,816	1,491,894	1,734,756
Shares Outstanding	100	100	100	100	100
Number of Employees	0	0	0	0	0

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$41,187	(\$57,547)	\$16,892	(\$81,476)	(\$106,973)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	58,492	84,018	144,478	237,257	336,642	2
Changes in Deferred Income Taxes		(143,470)	(70,855)	(52,756)	(61,346)	3
Changes in Working Capital	(16,003)	189,338	(32,782)	(19,806)	(11,801)	4
Capitalized AFDC - Equity						5
Other	7,875	(70,697)	(258,399)	(33,237)	99,717	6
Total Non-Cash Items	50,365	59,189	(217,558)	131,458	363,213	7
Net Cash Provided From Operating Activities	<u>91,551</u>	<u>1,643</u>	<u>(200,666)</u>	<u>49,982</u>	<u>256,240</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	31,504	(55,882)	(17,483)	(13,654)	(31,329)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	(3,265)	215,282	(4,664)	(9,605)	(2,061)	12
Net Cash Provided From Investing Activities	<u>28,239</u>	<u>159,400</u>	<u>(22,147)</u>	<u>(23,259)</u>	<u>(33,390)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(42,000)	(84,000)	(16,800)	(42,000)		18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(42,000)</u>	<u>(84,000)</u>	<u>(16,800)</u>	<u>(42,000)</u>		20
Net Increase (Decrease) in Cash & Equivalents	77,790	77,043	(239,613)	(15,277)	222,850	21
Cash & Equivalents at Beginning of Year	502,331	425,288	664,901	680,178	457,328	22
Cash & Equivalents at End of Year	\$580,121	\$502,331	\$425,288	\$664,901	\$680,178	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,108,963	\$1,199,609	\$1,199,333	\$1,313,222	\$1,361,845
2 Access Lines	706	788	824	905	947
DOLLAR AMOUNTS					
3 Wages and Benefits	\$639,244	\$723,509	\$785,398	\$807,167	\$828,658
4 Depreciation and Amortization	58,492	84,018	144,478	237,257	336,642
5 Other Operations Expense	326,196	360,246	435,731	342,653	306,318
6 Total Operation Expenses	1,023,932	1,167,773	1,365,607	1,387,077	1,471,619
7 Income Taxes - Operating Taxes	14,523	(6,455)	(70,615)	(52,843)	(61,808)
8 Other Taxes - Operating Taxes	62,785	59,564	70,092	67,380	70,421
9 Capital Costs	7,723	(21,273)	(165,750)	(88,392)	(118,386)
10 Total	\$1,108,963	\$1,199,609	\$1,199,333	\$1,313,222	\$1,361,845
PERCENT OF REVENUES					
11 Wages and Benefits	57.6	60.3	65.5	61.5	60.8
12 Depreciation and Amortization	5.3	7.0	12.0	18.1	24.7
13 Other Operations Expense	29.4	30.0	36.3	26.1	22.5
14 Income Taxes - Operating Taxes	1.3	(0.5)	(5.9)	(4.0)	(4.5)
15 Other Taxes - Operating Taxes	5.7	5.0	5.8	5.1	5.2
16 Capital Costs	0.7	(1.8)	(13.8)	(6.7)	(8.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	905.45	918.16	953.15	891.90	875.03
19 Depreciation and Amortization	82.85	106.62	175.34	262.16	355.48
20 Other Operations Expense	462.03	457.17	528.80	378.62	323.46
21 Income Taxes - Operating Taxes	20.57	(8.19)	(85.70)	(58.39)	(65.27)
22 Other Taxes - Operating Taxes	88.93	75.59	85.06	74.45	74.36
23 Capital Costs	10.94	(27.00)	(201.15)	(97.67)	(125.01)
24 Total	1,570.77	1,522.35	1,455.50	1,451.07	1,438.06

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$796,912	\$796,912	\$781,461	\$997,551	\$1,004,708	1
Central Office Assets	1,368,716	1,363,411	1,283,234	1,966,336	1,983,648	2
Information Origination/Termination				894	894	3
Cable And Wire Facilities	1,841,063	1,814,941	1,817,878	1,807,374	1,812,928	4
Amortizable Assets						5
Total Plant In Service	4,006,691	3,975,264	3,882,573	4,772,155	4,802,178	6
Property Held For Future Use						7
Plant Under Construction	6,679	89,877	36,894	14,809	21,560	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	4,013,370	4,065,141	3,919,467	4,786,964	4,823,738	13
Less Acc. Prov. For Depreciation & Amort.	3,727,037	3,692,078	3,521,514	4,266,680	4,089,455	14
Net Total Utility Plant	\$286,333	\$373,063	\$397,953	\$520,283	\$734,282	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.80	5.58	4.41	12.55	12.71	16
Total Capitalization	\$1,260,790	\$1,261,603	\$1,184,622	\$1,184,530	\$1,308,006	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	#DIV/0!	-38790.91	98.50	183.34	230.73	22
Com. Stock Dividends as a % of Earnings	102.0%	-146.0%	99.5%	-51.5%		23
Return on Common Equity	3.3%	-4.7%	1.4%	-6.5%	-7.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-290.6%	2.9%	-1147.8%	366.1%	817.9%	25
CWIP as a % of Plant	0.2%	2.2%	0.9%	0.3%	0.4%	26

Current Assets	778,531	717,312	863,851	939,037	912,610
Current Liabilities	99,806	128,629	195,929	74,799	71,805
Total Capitalization	1,260,790	1,261,603	1,184,622	1,184,530	1,308,006
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,260,790	1,261,603	1,184,622	1,184,530	1,308,006
Short-Term Debt					
Pretax Income	55,709	(64,005)	(54,210)	(134,480)	(168,692)
Interest Expense		2	(550)	(734)	(731)
Common Dividends Paid	42,000	84,000	16,800	42,000	
Net Income (Excl. Preferred Stock Dividends)	41,187	(57,547)	16,892	(81,476)	(106,973)
Internal Cash	91,551	1,643	(200,665)	49,982	256,240
Cash Outflows for Construction	31,504	(55,882)	(17,483)	(13,654)	(31,329)
CWIP	6,679	89,877	36,894	14,809	21,560
Total Plant	4,013,370	4,065,141	3,919,466	4,786,964	4,823,738
Shares Outstanding	1,680	1,680	1,680	1,680	1,920
Number of Employees	6	6	8	8	8

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$188,080)	(\$221,805)	(\$32,654)	(\$83,942)	(\$50,799)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	483,535	504,284	551,689	440,866	616,631	2
Changes in Deferred Income Taxes	(42,948)	12,457	(68,889)	(18,843)	(42,720)	3
Changes in Working Capital	308,179	(397,932)	29,839	102,870	(13,753)	4
Capitalized AFDC - Equity						5
Other	(13,826)	(11,706)	55,692	(56,731)	(17,037)	6
Total Non-Cash Items	734,940	107,103	568,331	468,162	543,121	7
Net Cash Provided From Operating Activities	546,860	(114,702)	535,677	384,220	492,322	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(212,268)	(448,987)	(155,890)	(79,488)	(397,960)	9
Purchase of Other Investments						10
Sale of Other Investments	(2,230)	358		162,809	36,257	11
Other						12
Net Cash Provided From Investing Activities	(214,498)	(448,629)	(155,890)	83,321	(361,703)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(5,868)	(38,142)	(32,274)	(35,209)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing			(324)	(6,934)	(11,381)	19
Net Cash Provided From Financing Activities	0	(5,868)	(38,466)	(39,208)	(46,590)	20
Net Increase (Decrease) in Cash & Equivalents	332,362	(569,199)	341,321	428,333	84,029	21
Cash & Equivalents at Beginning of Year	1,662,362	2,231,561	1,890,240	1,461,907	1,377,878	22
Cash & Equivalents at End of Year	\$1,994,724	\$1,662,362	\$2,231,561	\$1,890,240	\$1,461,907	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,058,524	\$2,083,097	\$2,141,206	\$2,270,813	\$2,375,504
2 Access Lines	1,976	2,137	2,225	2,349	2,544
DOLLAR AMOUNTS					
3 Wages and Benefits	\$817,523	\$843,379	\$749,141	\$712,973	\$287,740
4 Depreciation and Amortization	483,535	504,284	551,690	440,866	616,629
5 Other Operations Expense	922,393	973,366	987,362	966,243	1,469,699
6 Total Operation Expenses	2,223,451	2,321,029	2,288,193	2,120,082	2,374,068
7 Income Taxes - Operating Taxes	(101,378)	(122,365)	(102,643)	6,406	(48,959)
8 Other Taxes - Operating Taxes	125,300	112,125	146,300	99,642	107,287
9 Capital Costs	(188,849)	(227,692)	(190,644)	44,683	(56,892)
10 Total	\$2,058,524	\$2,083,097	\$2,141,206	\$2,270,813	\$2,375,504
PERCENT OF REVENUES					
11 Wages and Benefits	39.7	40.5	35.0	31.4	12.1
12 Depreciation and Amortization	23.5	24.2	25.8	19.4	26.0
13 Other Operations Expense	44.8	46.7	46.1	42.6	61.9
14 Income Taxes - Operating Taxes	(4.9)	(5.9)	(4.8)	0.3	(2.1)
15 Other Taxes - Operating Taxes	6.1	5.4	6.8	4.4	4.5
16 Capital Costs	(9.2)	(10.9)	(8.9)	2.0	(2.4)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	413.73	394.66	336.69	303.52	113.11
19 Depreciation and Amortization	244.70	235.98	247.95	187.68	242.39
20 Other Operations Expense	466.80	455.48	443.76	411.34	577.71
21 Income Taxes - Operating Taxes	(51.30)	(57.26)	(46.13)	2.73	(19.24)
22 Other Taxes - Operating Taxes	63.41	52.47	65.75	42.42	42.17
23 Capital Costs	(95.57)	(106.55)	(85.68)	19.02	(22.36)
24 Total	1,041.76	974.78	962.34	966.71	933.77

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$795,365	\$746,009	\$712,184	\$780,407	\$883,551	1
Central Office Assets	3,625,519	3,750,198	3,644,998	3,606,721	3,596,360	2
Information Origination/Termination	38,738	38,738	38,738	38,738	0	3
Cable And Wire Facilities	5,875,159	5,876,846	5,792,715	5,736,781	5,726,406	4
Amortizable Assets	114,620	88,636	51,909	69,883	119,235	5
Total Plant In Service	10,449,401	10,500,427	10,240,544	10,232,530	10,325,552	6
Property Held For Future Use						7
Plant Under Construction	231,212	229,637	60,712	1,768	66,004	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,680,613	10,730,064	10,301,256	10,234,298	10,391,556	13
Less Acc. Prov. For Depreciation & Amort.	8,202,587	7,983,003	7,498,539	7,035,781	6,704,062	14
Net Total Utility Plant	\$2,478,026	\$2,747,061	\$2,802,717	\$3,198,517	\$3,687,494	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.63	6.98	6.49	6.55	4.73	16
Total Capitalization	\$4,219,474	\$4,397,909	\$4,625,020	\$4,695,504	\$4,818,382	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.2%	0.9%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	99.9%	99.1%	98.3%	20
Short-Term Debt	0.0%	0.0%	0.1%	0.8%	0.9%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	-7138.29	-645.43	-97.85	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-4.4%	-4.9%	-0.7%	-1.8%	-1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	257.6%	-25.5%	343.6%	483.4%	123.7%	25
CWIP as a % of Plant	2.2%	2.1%	0.6%	0.0%	0.6%	26

Current Assets	2,517,813	2,463,814	2,667,503	2,284,792	2,014,417
Current Liabilities	379,964	353,121	411,083	349,004	425,530
Total Capitalization	4,219,474	4,397,909	4,625,020	4,695,504	4,818,382
Long-Term Debt				8,802	41,400
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,219,474	4,397,909	4,619,152	4,651,170	4,734,840
Short-Term Debt			5,868	35,532	42,142
Pretax Income	(289,043)	(341,000)	(49,968)	(146,512)	(96,485)
Interest Expense			7	227	986
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(188,080)	(221,805)	(32,654)	(83,942)	(50,799)
Internal Cash	546,860	(114,702)	535,677	384,220	492,322
Cash Outflows for Construction	(212,268)	(448,987)	(155,890)	(79,488)	(397,960)
CWIP	231,212	229,637	60,712	1,768	66,004
Total Plant	10,680,613	10,730,064	10,301,256	10,234,298	10,391,556
Shares Outstanding	1,330	1,330	1,330	1,330	1,330
Number of Employees	3	3	3	3	5

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$374,485)	\$114,557	\$295,841	\$636,230	\$534,901	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	966,760	895,191	819,216	782,346	730,717	2
Changes in Deferred Income Taxes	26,164	254,053	268,017	401,647	(70,452)	3
Changes in Working Capital	7,747	208,950	115,383	(394,512)	317,509	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	1,000,671	1,358,194	1,202,616	789,481	977,774	7
Net Cash Provided From Operating Activities	<u>626,186</u>	<u>1,472,751</u>	<u>1,498,457</u>	<u>1,425,711</u>	<u>1,512,675</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(424,204)	(726,475)	(1,607,959)	(2,853,360)	(1,015,746)	9
Purchase of Other Investments						10
Sale of Other Investments				1,300		11
Other	(20,932)	(23,061)			(17,366)	12
Net Cash Provided From Investing Activities	<u>(445,136)</u>	<u>(749,536)</u>	<u>(1,607,959)</u>	<u>(2,852,060)</u>	<u>(1,033,112)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(283,732)	406,574	1,500,000		14
Common Stock		(112,000)		(360,000)	(360,000)	15
Preferred Stock						16
Short-Term Debt	(147,849)					17
Dividends Paid						18
Other Financing	55,625	(504,824)	(90,750)	(109,767)	33,341	19
Net Cash Provided From Financing Activities	<u>(92,224)</u>	<u>(900,556)</u>	<u>315,824</u>	<u>1,030,233</u>	<u>(326,659)</u>	20
Net Increase (Decrease) in Cash & Equivalents	88,826	(177,341)	206,322	(396,116)	152,904	21
Cash & Equivalents at Beginning of Year	41,010	218,351	12,029	408,145	255,241	22
Cash & Equivalents at End of Year	\$129,836	\$41,010	\$218,351	\$12,029	\$408,145	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,426,529	\$4,760,668	\$4,925,353	\$4,960,404	\$4,643,978
2 Access Lines	5,467	5,784	6,172	6,616	6,799
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,852,697	\$1,868,464	\$1,773,237	\$1,864,194	\$1,851,425
4 Depreciation and Amortization	966,760	895,191	819,216	782,346	730,717
5 Other Operations Expense	1,759,519	1,937,245	1,456,253	1,186,083	1,230,100
6 Total Operation Expenses	4,578,976	4,700,900	4,048,706	3,832,623	3,812,242
7 Income Taxes - Operating Taxes	(162,533)	(417,572)	194,093	227,146	88,849
8 Other Taxes - Operating Taxes	334,862	309,847	281,720	273,060	261,936
9 Capital Costs	(324,776)	167,493	400,834	627,575	480,951
10 Total	\$4,426,529	\$4,760,668	\$4,925,353	\$4,960,404	\$4,643,978
PERCENT OF REVENUES					
11 Wages and Benefits	41.9	39.2	36.0	37.6	39.9
12 Depreciation and Amortization	21.8	18.8	16.6	15.8	15.7
13 Other Operations Expense	39.7	40.7	29.6	23.9	26.5
14 Income Taxes - Operating Taxes	(3.7)	(8.8)	3.9	4.6	1.9
15 Other Taxes - Operating Taxes	7.6	6.5	5.7	5.5	5.6
16 Capital Costs	(7.3)	3.5	8.1	12.7	10.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	338.89	323.04	287.30	281.77	272.31
19 Depreciation and Amortization	176.84	154.77	132.73	118.25	107.47
20 Other Operations Expense	321.84	334.93	235.95	179.27	180.92
21 Income Taxes - Operating Taxes	(29.73)	(72.19)	31.45	34.33	13.07
22 Other Taxes - Operating Taxes	61.25	53.57	45.64	41.27	38.53
23 Capital Costs	(59.41)	28.96	64.94	94.86	70.74
24 Total	809.68	823.08	798.02	749.76	683.04

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,351,207	\$2,345,246	\$2,325,107	\$2,287,537	\$2,296,676	1
Central Office Assets	8,656,681	8,326,407	8,017,813	7,599,009	6,665,813	2
Information Origination/Termination	3,037,819	3,028,165	2,935,495	2,536,921	1,621,987	3
Cable And Wire Facilities	11,637,960	11,791,544	9,925,514	9,816,256	9,670,764	4
Amortizable Assets						5
Total Plant In Service	25,683,667	25,491,362	23,203,929	22,239,723	20,255,240	6
Property Held For Future Use						7
Plant Under Construction			1,658,316	1,014,563		8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant					189,052	11
Goodwill						12
Total Telecommunications Plant	25,683,667	25,491,362	24,862,245	23,254,286	20,444,292	13
Less Acc. Prov. For Depreciation & Amort.	18,903,703	18,189,773	17,415,001	16,595,785	15,855,505	14
Net Total Utility Plant	\$6,779,964	\$7,301,589	\$7,447,244	\$6,658,501	\$4,588,787	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.44	0.40	0.53	0.60	3.26	16
Total Capitalization	\$6,424,584	\$6,861,419	\$6,867,497	\$6,903,272	\$4,639,465	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	77.0%	76.3%	72.2%	78.3%	100.0%	20
Short-Term Debt	23.0%	23.7%	27.8%	21.7%		21
Pretax Coverage of Interest Expense	-6.88	-2.95	6.43	80.49	17822.43	22
Com. Stock Dividends as a % of Earnings		97.8%		56.6%	67.3%	23
Return on Common Equity	-7.4%	2.2%	5.7%	12.7%	11.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	147.6%	202.7%	93.2%	50.0%	148.9%	25
CWIP as a % of Plant						26

Current Assets	751,644	718,981	1,068,043	923,842	1,198,595
Current Liabilities	1,706,435	1,799,309	2,009,500	1,550,997	368,200
Total Capitalization	6,424,584	6,861,419	6,867,497	6,903,272	4,639,465
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,949,591	5,238,577	4,960,923	5,403,272	4,639,465
Short-Term Debt	1,474,993	1,622,842	1,906,574	1,500,000	
Pretax Income	(468,871)	(226,274)	580,173	874,237	623,785
Interest Expense	68,147	76,741	90,239	10,861	35
Common Dividends Paid		112,000		360,000	360,000
Net Income (Excl. Preferred Stock Dividends)	(374,485)	114,557	295,841	636,230	534,901
Internal Cash	626,186	1,472,751	1,498,457	1,425,711	1,512,675
Cash Outflows for Construction	(424,204)	(726,475)	(1,607,959)	(2,853,360)	(1,015,746)
CWIP			1,658,316	1,014,563	
Total Plant	25,683,667	25,491,362	24,862,245	23,254,286	20,444,292
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	26	26	25	25	25

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$2,481,264	\$2,098,684	\$3,003,040	\$3,964,560	\$2,911,273	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,440,153	2,399,431	3,039,119	884,190	899,773	2
Changes in Deferred Income Taxes	(89,121)	101,382	(103,808)	639,060	692,586	3
Changes in Working Capital	1,622,393	(251,338)	(1,004,595)	902,661	47,224	4
Capitalized AFDC - Equity						5
Other	(3,123,860)	(2,879,898)	(878,653)	(5,051,560)	(3,814,218)	6
Total Non-Cash Items	849,565	(630,423)	1,052,063	(2,625,649)	(2,174,635)	7
Net Cash Provided From Operating Activities	<u>3,330,829</u>	<u>1,468,261</u>	<u>4,055,103</u>	<u>1,338,911</u>	<u>736,638</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(3,330,829)	(1,468,581)	(4,055,103)	(1,338,911)	(736,638)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(3,330,829)</u>	<u>(1,468,581)</u>	<u>(4,055,103)</u>	<u>(1,338,911)</u>	<u>(736,638)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	20
Net Increase (Decrease) in Cash & Equivalents	0	(320)	0	0	0	21
Cash & Equivalents at Beginning of Year	900	1,220	1,220	1,220	1,220	22
Cash & Equivalents at End of Year	\$900	\$900	\$1,220	\$1,220	\$1,220	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$14,904,000	\$15,266,435	\$16,538,335	\$16,473,681	\$17,171,217
2 Access Lines	19,132	20,052	21,023	22,005	23,105

DOLLAR AMOUNTS

3 Wages and Benefits	3,145,371	3,099,832	3,572,018	\$3,439,910	\$3,634,114
4 Depreciation and Amortization	2,440,153	2,399,431	3,039,119	2,638,257	2,631,331
5 Other Operations Expense	8,357,235	9,120,129	8,479,966	8,628,353	8,129,985
6 Total Operation Expenses	13,942,759	14,619,392	15,091,103	14,706,520	14,395,430
7 Income Taxes - Operating Taxes	67,028	(352,065)	(80,582)	(5,320)	1,681,348
8 Other Taxes - Operating Taxes	815,541	753,362	817,518	855,462	742,623
9 Capital Costs	78,672	245,746	710,296	917,019	351,816
10 Total	\$14,904,000	\$15,266,435	\$16,538,335	\$16,473,681	\$17,171,217

PERCENT OF REVENUES

11 Wages and Benefits	21.1	20.3	21.6	20.9	21.2
12 Depreciation and Amortization	16.4	15.7	18.4	16.0	15.3
13 Other Operations Expense	56.1	59.7	51.3	52.4	47.3
14 Income Taxes - Operating Taxes	0.4	(2.3)	(0.5)	(0.0)	9.8
15 Other Taxes - Operating Taxes	5.5	4.9	4.9	5.2	4.3
16 Capital Costs	0.5	1.6	4.3	5.6	2.0
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	164.40	154.59	169.91	156.32	157.29
19 Depreciation and Amortization	127.54	119.66	144.56	119.89	113.89
20 Other Operations Expense	436.82	454.82	403.37	392.11	351.87
21 Income Taxes - Operating Taxes	3.50	(17.56)	(3.83)	(0.24)	72.77
22 Other Taxes - Operating Taxes	42.63	37.57	38.89	38.88	32.14
23 Capital Costs	4.11	12.26	33.79	41.67	15.23
24 Total	779.01	761.34	786.68	748.63	743.18

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$8,064,447	\$8,551,666	\$8,439,632	\$9,055,799	\$8,943,051	1
Central Office Assets	29,587,172	29,965,465	29,612,327	29,068,076	28,656,337	2
Information Origination/Termination		1,465	1,465	1,465	1,465	3
Cable And Wire Facilities	34,056,544	33,991,867	33,746,911	33,552,911	32,987,982	4
Amortizable Assets						5
Total Plant In Service	71,708,163	72,510,463	71,800,335	71,678,251	70,588,835	6
Property Held For Future Use			10,664	10,665	10,665	7
Plant Under Construction	3,039,211	1,324,921	712,675	300,352	652,450	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	359,964	359,964	349,300	349,300	349,300	11
Goodwill						12
Total Telecommunications Plant	75,107,338	74,195,348	72,872,974	72,338,568	71,601,250	13
Less Acc. Prov. For Depreciation & Amort.	54,403,748	53,819,463	51,654,205	51,440,686	51,158,089	14
Net Total Utility Plant	\$20,703,590	\$20,375,885	\$21,218,769	\$20,897,882	\$20,443,160	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.78	0.97	0.92	0.98	1.20	16
Total Capitalization	\$16,827,262	\$18,351,709	\$19,384,288	\$19,192,590	\$19,837,397	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	963.18	122.96	64.34	35.06	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	-408.5%	23
Return on Common Equity	3.7%	6.4%	11.7%	9.1%	4.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	100.0%	100.0%	215.2%	100.0%	25
CWIP as a % of Plant	4.0%	1.8%	1.0%	0.4%	0.9%	26

Current Assets	4,270,155	3,994,314	3,969,440	6,562,289	6,787,293
Current Liabilities	5,492,892	4,138,486	4,323,044	6,702,630	5,650,436
Total Capitalization	16,827,262	18,351,709	19,384,288	19,192,590	19,837,397
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	16,827,262	18,351,709	19,384,288	19,192,590	19,837,397
Short-Term Debt					
Pretax Income	1,228,445	1,077,802	2,160,458	2,455,361	2,009,600
Interest Expense		1,119	17,570	38,161	57,317
Common Dividends Paid					(4,105,000)
Net Income (Excl. Preferred Stock Dividends)	646,860	1,203,321	2,264,665	1,778,470	1,004,978
Internal Cash	3,330,829	1,468,261	4,055,103	2,881,279	736,637
Cash Outflows for Construction	(3,330,832)	(1,468,581)	(4,055,103)	(1,338,911)	(736,638)
CWIP	3,039,211	1,324,921	712,675	300,352	652,450
Total Plant	75,107,338	74,195,348	72,872,974	72,338,568	71,601,254
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	49	49	51	54	60

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$369,304)	(\$435,256)	\$397,012	(\$707,512)	(\$223,997)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	795,482	791,323	779,230	632,950	1,022,736	2
Changes in Deferred Income Taxes	(120,088)	16,176	14,733	(212,641)	(134,059)	3
Changes in Working Capital	237,261	(34,849)	(160,674)	143,661	121,741	4
Capitalized AFDC - Equity						5
Other	(19,293)	1,673	(65,950)	16,137	7,855	6
Total Non-Cash Items	893,362	774,323	567,339	580,107	1,018,273	7
Net Cash Provided From Operating Activities	<u>524,058</u>	<u>339,067</u>	<u>964,351</u>	<u>(127,405)</u>	<u>794,276</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(262,610)	(265,045)	(543,402)	(43,025)	(315,631)	9
Purchase of Other Investments						10
Sale of Other Investments	5,754	(9,095)	(32,438)	554,343	(77,489)	11
Other						12
Net Cash Provided From Investing Activities	<u>(256,856)</u>	<u>(274,140)</u>	<u>(575,840)</u>	<u>511,318</u>	<u>(393,120)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid			(2,360,000)			18
Other Financing			(855)	(3,656)	(13,048)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>(2,360,855)</u>	<u>(3,656)</u>	<u>(13,048)</u>	20
Net Increase (Decrease) in Cash & Equivalents	267,202	64,927	(1,972,344)	380,257	388,108	21
Cash & Equivalents at Beginning of Year	1,095,449	1,030,522	3,002,866	2,622,609	2,234,501	22
Cash & Equivalents at End of Year	\$1,362,651	\$1,095,449	\$1,030,522	\$3,002,866	\$2,622,609	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$2,532,464	\$2,712,576	\$2,841,738	\$2,855,049	\$3,299,414
2 Access Lines	2,389	2,717	3,016	3,304	3,671

DOLLAR AMOUNTS

3 Wages and Benefits	1,033,131	1,093,934	1,014,278	\$1,020,197	\$444,855
4 Depreciation and Amortization	795,482	791,323	779,230	633,673	1,022,736
5 Other Operations Expense	1,128,707	1,333,324	1,151,190	1,287,096	2,015,449
6 Total Operation Expenses	2,957,320	3,218,581	2,944,698	2,940,966	3,483,040
7 Income Taxes - Operating Taxes	(198,566)	(234,918)	(92,916)	(87,470)	(126,903)
8 Other Taxes - Operating Taxes	148,117	165,637	164,142	163,901	179,243
9 Capital Costs	(374,407)	(436,724)	(174,186)	(162,348)	(235,966)
10 Total	\$2,532,464	\$2,712,576	\$2,841,738	\$2,855,049	\$3,299,414

PERCENT OF REVENUES

11 Wages and Benefits	40.8	40.3	35.7	35.7	13.5
12 Depreciation and Amortization	31.4	29.2	27.4	22.2	31.0
13 Other Operations Expense	44.6	49.2	40.5	45.1	61.1
14 Income Taxes - Operating Taxes	(7.8)	(8.7)	(3.3)	(3.1)	(3.8)
15 Other Taxes - Operating Taxes	5.8	6.1	5.8	5.7	5.4
16 Capital Costs	(14.8)	(16.1)	(6.1)	(5.7)	(7.2)
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	432.45	402.63	336.30	308.78	121.18
19 Depreciation and Amortization	332.98	291.25	258.37	191.79	278.60
20 Other Operations Expense	472.46	490.73	381.69	389.56	549.02
21 Income Taxes - Operating Taxes	(83.12)	(86.46)	(30.81)	(26.47)	(34.57)
22 Other Taxes - Operating Taxes	62.00	60.96	54.42	49.61	48.83
23 Capital Costs	(156.72)	(160.74)	(57.75)	(49.14)	(64.28)
24 Total	1,060.05	998.37	942.22	864.12	898.78

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,279,419	\$1,276,788	\$1,246,792	\$1,228,629	\$1,329,878	1
Central Office Assets	7,075,693	7,091,985	6,890,640	6,766,142	7,252,023	2
Information Origination/Termination	30,557	30,557	30,557	30,557		3
Cable And Wire Facilities	9,945,001	9,835,491	9,752,205	9,642,951	9,642,479	4
Amortizable Assets	158,514	125,124	60,730	91,248	135,531	5
Total Plant In Service	18,489,184	18,359,945	17,980,924	17,759,527	18,359,911	6
Property Held For Future Use						7
Plant Under Construction	43,740	42,816	280,533	118,631	52,932	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant		5,449	5,449	5,449	5,449	11
Goodwill						12
Total Telecommunications Plant	18,532,924	18,408,210	18,266,906	17,883,607	18,418,292	13
Less Acc. Prov. For Depreciation & Amort.	12,939,472	12,276,132	11,617,643	11,030,958	10,421,373	14
Net Total Utility Plant	\$5,593,452	\$6,132,078	\$6,649,263	\$6,852,649	\$7,996,919	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.19	3.54	3.23	6.61	5.46	16
Total Capitalization	\$5,206,413	\$5,566,142	\$6,002,298	\$7,890,309	\$8,599,469	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	99.9%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	6706.22	-7556.78	-401.52	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	594.4%	0.0%	0.0%	23
Return on Common Equity	-6.9%	-7.5%	5.7%	-8.6%	-2.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	199.6%	127.9%	177.5%	-296.1%	251.6%	25
CWIP as a % of Plant	0.2%	0.2%	1.5%	0.7%	0.3%	26

Current Assets	1,722,308	1,600,428	1,528,731	3,398,824	3,248,960
Current Liabilities	539,341	451,846	472,871	514,543	595,586
Total Capitalization	5,206,413	5,566,142	6,002,298	7,890,309	8,599,469
Long-Term Debt					855
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,206,413	5,566,142	6,002,298	7,889,454	8,594,958
Short-Term Debt				855	3,656
Pretax Income	(568,057)	(669,383)	611,339	(1,088,177)	(343,698)
Interest Expense			91	144	856
Common Dividends Paid			2,360,000		
Net Income (Excl. Preferred Stock Dividends)	(369,304)	(435,256)	397,012	(707,512)	(223,997)
Internal Cash	524,058	339,067	964,351	(127,405)	794,276
Cash Outflows for Construction	(262,610)	(265,045)	(543,402)	(43,025)	(315,631)
CWIP	43,740	42,816	280,533	118,631	52,932
Total Plant	18,532,924	18,408,210	18,266,906	17,883,607	18,418,292
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	3	5

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	\$34,051	\$185,006	\$461,745	\$516,232	(\$181,489)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,134,148	1,123,829	1,119,181	\$1,111,070	1,077,815	2
Changes in Deferred Income Taxes	(71,896)	24,369	128,293	58,417	22,633	3
Changes in Working Capital	(278,650)	341,295	232,003	(839,238)	(431,203)	4
Capitalized AFDC - Equity						5
Other	(399,438)	(99,994)	(334,413)	(479,827)	477,327	6
Total Non-Cash Items	384,164	1,389,499	1,145,064	(149,578)	1,146,572	7
Net Cash Provided From Operating Activities	<u>418,215</u>	<u>1,574,505</u>	<u>1,606,809</u>	<u>366,654</u>	<u>965,083</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(646,789)	(1,040,437)	(1,593,304)	(664,193)	(397,545)	9
Purchase of Other Investments	(2,644,197)	(1,579,095)	(2,004,834)	(1,582,737)	(1,309,587)	10
Sale of Other Investments	3,463,787	1,665,537	2,669,344	2,444,118	1,223,054	11
Other	320,691	208,516	(29,413)	178,713	243,942	12
Net Cash Provided From Investing Activities	<u>493,492</u>	<u>(745,479)</u>	<u>(958,207)</u>	<u>375,901</u>	<u>(240,136)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(429,618)	(503,592)	(523,834)	(565,444)	(648,522)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(59,504)	(59,652)	(54,146)	(53,818)	(53,749)	18
Other Financing	(20,216)	(77,774)	(4,262)	(14,319)	(7,642)	19
Net Cash Provided From Financing Activities	<u>(509,338)</u>	<u>(641,018)</u>	<u>(582,242)</u>	<u>(633,581)</u>	<u>(709,913)</u>	20
Net Increase (Decrease) in Cash & Equivalents	402,369	188,008	66,360	108,974	15,034	21
Cash & Equivalents at Beginning of Year	1,560,297	1,372,288	1,305,928	1,196,954	1,181,920	22
Cash & Equivalents at End of Year	\$1,962,665	\$1,560,297	\$1,372,288	\$1,305,928	\$1,196,954	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$4,799,500	\$4,988,435	\$5,456,724	\$5,386,343	\$5,630,624
2 Access Lines	3535	3,758	4,063	4,364	4,752

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,453,779	\$1,468,892	\$1,599,152	\$1,636,542	\$1,555,512
4 Depreciation and Amortization	1,134,148	1,121,429	1,116,781	1,108,670	1,090,497
5 Other Operations Expense	2,272,154	1,938,457	2,130,752	2,089,037	2,103,118
6 Total Operation Expenses	4,860,081	4,528,778	4,846,685	4,834,249	4,749,127
7 Income Taxes - Operating Taxes	(101,832)	48,803	84,522	44,172	145,383
8 Other Taxes - Operating Taxes	238,771	251,187	283,406	287,643	424,008
9 Capital Costs	(197,521)	159,667	242,111	220,279	312,106
10 Total	\$4,799,500	\$4,988,435	\$5,456,724	\$5,386,343	\$5,630,624

PERCENT OF REVENUES

11 Wages and Benefits	30.3	29.4	29.3	30.4	27.6
12 Depreciation and Amortization	23.6	22.5	20.5	20.6	19.4
13 Other Operations Expense	47.3	38.9	39.0	38.8	37.4
14 Income Taxes - Operating Taxes	(2.1)	1.0	1.5	0.8	2.6
15 Other Taxes - Operating Taxes	5.0	5.0	5.2	5.3	7.5
16 Capital Costs	(4.1)	3.2	4.4	4.1	5.5
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	411.25	390.87	393.59	375.01	327.34
19 Depreciation and Amortization	320.83	298.41	274.87	254.05	229.48
20 Other Operations Expense	642.76	515.82	524.43	478.70	442.58
21 Income Taxes - Operating Taxes	(28.81)	12.99	20.80	10.12	30.59
22 Other Taxes - Operating Taxes	67.54	66.84	69.75	65.91	89.23
23 Capital Costs	(55.88)	42.49	59.59	50.48	65.68
24 Total	1,357.71	1,327.42	1,343.03	1,234.27	1,184.90

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,748,855	\$2,640,630	\$2,517,663	\$2,446,370	\$2,360,382	1
Central Office Assets	7,138,912	8,405,440	7,844,579	9,569,350	9,358,752	2
Information Origination/Termination	158,538	161,076	157,124	144,186	143,268	3
Cable And Wire Facilities	13,940,954	13,682,129	13,568,330	13,313,748	13,198,659	4
Amortizable Assets						5
Total Plant In Service	23,987,259	24,889,275	24,087,696	25,473,654	25,061,061	6
Property Held For Future Use						7
Plant Under Construction	283,646	388,560	102,091	323,583	89,557	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,270,905	25,277,835	24,189,787	25,797,237	25,150,618	13
Less Acc. Prov. For Depreciation & Amort.	15,068,377	15,504,841	14,478,120	15,836,462	14,784,017	14
Net Total Utility Plant	\$9,202,528	\$9,772,994	\$9,711,667	\$9,960,775	\$10,366,601	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.88	1.64	1.44	1.32	1.01	16
Total Capitalization	\$15,222,393	\$15,123,950	\$15,291,639	\$15,347,300	\$15,228,164	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	3.3%	5.3%	7.8%	10.4%	13.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	92.2%	91.1%	88.1%	85.4%	82.1%	20
Short-Term Debt	4.5%	3.6%	4.0%	4.2%	4.8%	21
Pretax Coverage of Interest Expense	2.46	4.97	6.95	5.99	0.19	22
Com. Stock Dividends as a % of Earnings	174.8%	32.2%	11.7%	10.4%	-29.6%	23
Return on Common Equity	0.2%	1.4%	3.5%	4.0%	-1.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	64.7%	151.3%	100.8%	55.2%	242.8%	25
CWIP as a % of Plant	1.2%	1.5%	0.4%	1.3%	0.4%	26

Current Assets	6,001,440	5,897,529	6,505,316	4,774,083	3,532,927
Current Liabilities	3,194,803	3,606,896	4,527,105	3,617,677	3,510,034
Total Capitalization	15,222,393	15,123,950	15,291,639	15,347,300	15,228,164
Long-Term Debt	498,721	797,956	1,196,936	1,595,916	1,994,896
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	14,036,570	13,777,546	13,478,272	13,106,689	12,504,758
Short-Term Debt	687,102	548,448	616,431	644,695	728,510
Pretax Income	91,594	359,246	684,775	773,158	27,379
Interest Expense	37,231	72,290	98,595	128,986	142,750
Common Dividends Paid	59,504	59,651	54,146	53,818	53,747
Net Income (Excl. Preferred Stock Dividends)	34,051	185,006	461,745	516,232	(181,489)
Internal Cash	418,215	1,574,505	1,606,809	366,654	965,083
Cash Outflows for Construction	(646,789)	(1,040,437)	(1,593,304)	(664,193)	(397,545)
CWIP	283,646	388,560	102,091	323,583	89,557
Total Plant	24,270,905	25,277,835	24,189,786	25,797,237	25,150,618
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	24	24	24	21	19

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$25,178)	\$38,127	\$42,392	(\$57,159)	\$2,089	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	343,539	351,814	404,279	380,864	524,127	2
Changes in Deferred Income Taxes	(40,416)	23,182	30,007	(32,621)	(23,641)	3
Changes in Working Capital	81,732	(58,458)	5,391	98,758	(80,847)	4
Capitalized AFDC - Equity						5
Other	(19,833)	(38,245)	14,928	(9,756)	(6,197)	6
Total Non-Cash Items	365,022	278,293	454,605	437,245	413,442	7
Net Cash Provided From Operating Activities	<u>339,844</u>	<u>316,420</u>	<u>496,997</u>	<u>380,086</u>	<u>415,531</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(134,223)	(178,127)	(246,281)	(159,937)	(90,460)	9
Purchase of Other Investments						10
Sale of Other Investments	(2,702)	6,498	(4,382)	78,184	17,171	11
Other						12
Net Cash Provided From Investing Activities	<u>(136,925)</u>	<u>(171,629)</u>	<u>(250,663)</u>	<u>(81,753)</u>	<u>(73,289)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing				(979)	(2,347)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(979)</u>	<u>(2,347)</u>	20
Net Increase (Decrease) in Cash & Equivalents	202,919	144,791	246,334	297,354	339,895	21
Cash & Equivalents at Beginning of Year	2,209,355	2,064,564	1,818,230	1,520,876	1,180,981	22
Cash & Equivalents at End of Year	\$2,412,274	\$2,209,355	\$2,064,564	\$1,818,230	\$1,520,876	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$1,572,435	\$1,705,558	\$1,716,943	\$1,704,708	\$1,884,933
2 Access Lines	1,610	1,717	1,803	1,939	2,088
DOLLAR AMOUNTS					
3 Wages and Benefits	\$595,615	\$601,614	\$577,240	565,683	\$319,951
4 Depreciation and Amortization	343,539	351,814	404,278	381,182	524,127
5 Other Operations Expense	599,320	623,326	701,246	639,712	961,598
6 Total Operation Expenses	1,538,474	1,576,754	1,682,764	1,586,577	1,805,676
7 Income Taxes - Operating Taxes	(14,187)	17,963	(17,412)	12,997	(2,167)
8 Other Taxes - Operating Taxes	77,348	77,874	85,469	81,438	86,730
9 Capital Costs	(29,200)	32,967	(33,878)	23,696	(5,306)
10 Total	\$1,572,435	\$1,705,558	\$1,716,943	\$1,704,708	\$1,884,933
PERCENT OF REVENUES					
11 Wages and Benefits	37.9	35.3	33.6	33.2	17.0
12 Depreciation and Amortization	21.8	20.6	23.5	22.4	27.8
13 Other Operations Expense	38.1	36.5	40.8	37.5	51.0
14 Income Taxes - Operating Taxes	(0.9)	1.1	(1.0)	0.8	(0.1)
15 Other Taxes - Operating Taxes	4.9	4.6	5.0	4.8	4.6
16 Capital Costs	(1.9)	1.9	(2.0)	1.4	(0.3)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	369.95	350.39	320.16	291.74	153.23
19 Depreciation and Amortization	213.38	204.90	224.23	196.59	251.02
20 Other Operations Expense	372.25	363.03	388.93	329.92	460.54
21 Income Taxes - Operating Taxes	(8.81)	10.46	(9.66)	6.70	(1.04)
22 Other Taxes - Operating Taxes	48.04	45.35	47.40	42.00	41.54
23 Capital Costs	(18.14)	19.20	(18.79)	12.22	(2.54)
24 Total	976.67	993.34	952.27	879.17	902.75

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$867,820	\$855,235	\$900,247	\$818,054	\$871,605	1
Central Office Assets	3,219,495	3,275,043	3,336,012	3,119,519	3,070,988	2
Information Origination/Termination	54,472	54,472	54,472	54,472	0	3
Cable And Wire Facilities	4,285,912	4,271,976	4,230,643	4,191,831	4,211,027	4
Amortizable Assets	82,790	64,518	31,877	43,078	129,160	5
Total Plant In Service	8,510,489	8,521,244	8,553,251	8,226,954	8,282,780	6
Property Held For Future Use						7
Plant Under Construction	38,045	6,190	34,597	94,886	3,054	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill	1,709,839	1,709,839	1,709,839	1,709,839	1,709,839	12
Total Telecommunications Plant	10,258,373	10,237,273	10,297,687	10,031,679	9,995,673	13
Less Acc. Prov. For Depreciation & Amort.	6,682,888	6,455,172	6,335,403	5,915,780	5,580,663	14
Net Total Utility Plant	\$3,575,485	\$3,782,101	\$3,962,284	\$4,115,899	\$4,415,010	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	8.39	10.54	6.93	7.39	4.66	16
Total Capitalization	\$5,115,092	\$5,116,254	\$5,082,540	\$5,044,837	\$5,103,119	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	16363.25	-3811.43	19.33	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-0.5%	0.7%	0.8%	-1.1%	0.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	253.2%	177.6%	201.8%	237.6%	459.4%	25
CWIP as a % of Plant	0.4%	0.1%	0.3%	0.9%	0.0%	26

Current Assets	2,586,999	2,420,585	2,304,563	2,022,357	1,970,341
Current Liabilities	308,314	229,642	332,500	273,759	422,383
Total Capitalization	5,115,092	5,116,254	5,082,540	5,044,837	5,103,119
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,115,092	5,116,254	5,082,540	5,044,837	5,102,140
Short-Term Debt					979
Pretax Income	(38,617)	58,869	65,453	(87,663)	3,614
Interest Expense			4	23	187
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(25,178)	38,127	42,392	(57,159)	2,089
Internal Cash	339,844	316,420	496,997	380,086	415,531
Cash Outflows for Construction	(134,223)	(178,127)	(246,281)	(159,937)	(90,460)
CWIP	38,045	6,190	34,597	94,886	3,054
Total Plant	10,258,373	10,237,273	10,297,687	10,031,679	9,995,673
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	3	4

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

	2013	2012	2011	2010	2009	
Cash Flows from Operating Activities						
Net Income	(\$120,606)	(\$1,067,598)	(\$2,732,307)	\$3,054,916	\$6,670,336	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,199,292	3,283,309	3,809,714	4,085,873	4,119,302	2
Changes in Deferred Income Taxes		(1,042,192)	(842,061)	(1,659,095)	(67,594)	3
Changes in Working Capital	1,830,162	9,007,281	(241,565)	2,951,025	(2,492,055)	4
Capitalized AFDC - Equity						5
Other	60,444	(5,520,553)	(3,819,815)	(9,166,355)	(19,413,453)	6
Total Non-Cash Items	5,089,898	5,727,845	(1,093,727)	(3,788,552)	(17,853,800)	7
Net Cash Provided From Operating Activities	<u>4,969,292</u>	<u>4,660,247</u>	<u>(3,826,034)</u>	<u>(733,636)</u>	<u>(11,183,464)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(332,292)	(1,810,838)	(2,117,896)	(1,079,907)	(1,150,805)	9
Purchase of Other Investments	(4,448,044)	(7,733,253)	(14,604,426)		(1,487,000)	10
Sale of Other Investments		1,976,579	(11,588)			11
Other		10,833,778	13,600,000	12,554,529	12,586,033	12
Net Cash Provided From Investing Activities	<u>(4,780,336)</u>	<u>3,266,266</u>	<u>(3,133,910)</u>	<u>11,474,622</u>	<u>9,948,228</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(1,138,974)	(1,518,974)	(1,518,632)	(1,518,632)	14
Common Stock		(107,000)	(321,000)	50,106	128,877	15
Preferred Stock						16
Short-Term Debt		(5,600,000)	5,600,000			17
Dividends Paid		(4,715,000)	(5,794,000)	(5,223,512)	4,710,742	18
Other Financing						19
Net Cash Provided From Financing Activities		<u>(11,560,974)</u>	<u>(2,033,974)</u>	<u>(6,692,038)</u>	<u>3,320,987</u>	20
Net Increase (Decrease) in Cash & Equivalents	188,956	(3,634,461)	(8,993,918)	4,048,948	2,085,751	21
Cash & Equivalents at Beginning of Year	705,000	4,339,461	13,333,379	9,284,431	7,198,680	22
Cash & Equivalents at End of Year	\$893,956	\$705,000	\$4,339,461	\$13,333,379	\$9,284,431	23

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

	2013	2012	2011	2010	2009
1 Revenues	\$13,671,651	\$13,547,386	\$14,108,792	\$15,626,449	\$15,629,802
2 Access Lines	11,581	12,654	14,041	15,423	17,605
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,273,272	\$7,097,293	\$7,176,508	6,522,173	\$7,292,158
4 Depreciation and Amortization	3,199,292	3,283,309	3,769,571	4,067,126	4,106,702
5 Other Operations Expense	7,154,725	6,361,324	6,638,733	6,908,127	6,056,679
6 Total Operation Expenses	12,627,289	16,741,926	17,584,812	17,497,426	17,455,539
8 Income Taxes - Operating Taxes		926,993	833,430	3,117,273	2,885,656
9 Other Taxes - Operating Taxes	1,169,540	1,191,372	1,034,840	1,088,358	1,233,719
10 Capital Costs	(125,178)	(5,312,905)	(5,344,290)	(6,076,608)	(5,945,111)
11 Total	\$13,671,651	\$13,547,386	\$14,108,792	\$15,626,449	\$15,629,802
PERCENT OF REVENUES					
12 Wages and Benefits	16.6	52.4	50.9	41.7	46.7
13 Depreciation and Amortization	23.4	24.2	26.7	26.0	26.3
14 Other Operations Expense	52.3	47.0	47.1	44.2	38.8
16 Income Taxes - Operating Taxes		6.8	5.9	19.9	18.5
17 Other Taxes - Operating Taxes	8.6	8.8	7.3	7.0	7.9
18 Capital Costs	(0.9)	(39.2)	(37.9)	(38.9)	(38.0)
19 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
20 Wages and Benefits	196.29	560.87	511.11	422.89	414.21
21 Depreciation and Amortization	276.25	259.47	268.47	263.71	233.27
22 Other Operations Expense	617.80	502.71	472.81	447.91	344.03
24 Income Taxes - Operating Taxes		73.26	59.36	202.12	163.91
25 Other Taxes - Operating Taxes	100.99	94.15	73.70	70.57	70.08
26 Capital Costs	(10.81)	(419.86)	(380.62)	(394.00)	(337.69)
27 Total	1,180.52	1,070.60	1,004.83	1,013.19	887.80

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

	2013	2012	2011	2010	2009	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$10,156,544	\$10,099,921	\$9,883,787	\$9,676,768	\$9,687,136	1
Central Office Assets	31,167,403	31,856,345	31,125,031	30,124,610	29,758,313	2
Information Origination/Termination	1,844,329	1,843,667	1,838,672	1,832,947	1,822,654	3
Cable And Wire Facilities	31,046,270	30,855,341	30,285,438	29,644,607	28,885,001	4
Amortizable Assets						5
Total Plant In Service	74,214,546	74,655,273	73,132,928	71,278,932	70,153,104	6
Property Held For Future Use						7
Plant Under Construction	13,910	33,576	151,091	82,994	180,357	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	74,228,456	74,688,849	73,284,019	71,361,926	70,333,461	13
Less Acc. Prov. For Depreciation & Amort.	56,024,158	53,578,072	50,576,212	46,882,002	42,975,607	14
Net Total Utility Plant	\$18,204,298	\$21,110,777	\$22,707,807	\$24,479,924	\$27,357,854	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.11	1.16	1.26	1.24	1.23	16
Total Capitalization	\$17,750,230	\$21,863,592	\$32,941,727	\$38,945,381	\$41,757,965	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				2.9%	6.4%	18
Preferred Stock			1.5%	1.3%	1.2%	19
Common Stock & Retained Earnings	100.0%	100.0%	78.0%	91.9%	88.8%	20
Short-Term Debt			20.5%	3.9%	3.6%	21
Pretax Coverage of Interest Expense	-267.61	0.60	3.49	62.79	98.21	22
Com. Stock Dividends as a % of Earnings			-1270.0%	171.6%	68.9%	23
Return on Common Equity	-0.6%	-4.5%	-1.5%	8.3%	19.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1495.5%	257.4%	-71.9%	-66.2%	-952.1%	25
CWIP as a % of Plant	0.0%	0.0%	0.2%	0.1%	0.3%	26

Current Assets	54,433,750	54,766,037	54,773,949	47,377,066	36,669,468
Current Liabilities	48,920,989	47,356,454	43,476,514	38,165,194	29,701,338
Total Capitalization	17,750,230	21,863,592	32,941,727	38,945,381	41,757,965
Long-Term Debt				1,138,974	2,657,606
Preferred Stock			500,000	500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	17,750,230	21,863,592	25,702,753	35,787,774	37,081,726
Short-Term Debt			6,738,974	1,518,633	1,518,633
Pretax Income	(120,158)	212,438	566,624	6,272,086	9,883,674
Interest Expense	449	353,043	162,513	99,897	100,640
Common Dividends Paid			5,769,890	5,198,512	4,735,742
Net Income (Excl. Preferred Stock Dividends)	(120,607)	(1,067,598)	(454,319)	3,029,916	6,872,378
Internal Cash	4,969,291	4,660,247	(1,523,046)	(714,887)	(10,956,422)
Cash Outflows for Construction	(332,292)	(1,810,838)	(2,117,896)	(1,079,907)	(1,150,805)
CWIP	13,910	33,576	151,091	82,994	180,357
Total Plant	74,228,456	74,688,849	73,284,019	71,361,926	70,333,461
Shares Outstanding			6,218,800	5,975,000	59,908,000
Number of Employees	113	160	139	111	110