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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$64,956	\$62,093	\$65,465	\$60,171	\$61,157
2 Accounts Receivable (Net)	1,145,749	1,083,608	1,036,254	1,120,578	1,401,781
3 Current Deferred Income Taxes	642	303	254	237	245
4 Other Current Assets	134,014	143,577	146,126	199,214	287,668
5 Total Current Assets	1,345,361	1,289,582	1,248,099	1,380,200	1,750,852
NON-CURRENT ASSETS					
6 Investments	1,066,353	528,648	796,586	944,851	758,183
7 Unamortized Debt Issuance Costs	5,007	5,267	6,221	7,127	8,077
8 Deferred Charges	105,015	103,004	88,453	94,788	95,126
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	12,472	11,873	10,841	10,176	9,971
11 Other Non-Current Assets	255,793	456,249	681,504	701,548	710,355
12 Total Non-Current Assets	1,444,641	1,105,041	1,583,605	1,758,490	1,581,712
REGULATED PLANT					
13 Total Telecommunications Plant	30,973,570	33,595,799	33,438,798	35,018,621	34,198,295
14 Less: Accumulated Depr and Amort.	19,680,071	22,095,151	21,903,048	23,483,253	22,712,098
15 Net Regulated Plant	11,293,499	11,500,649	11,535,750	11,535,368	11,486,197
16 Total Assets & Other Debits	\$14,083,500	\$13,895,272	\$14,367,455	\$14,674,058	\$14,818,761
CURRENT LIABILITIES					
17 Accounts Payable	\$975,294	\$768,200	\$643,386	\$612,501	\$992,314
18 Notes Payable	7,138,768	5,447,996	3,624,800	3,304,644	2,852,143
19 Advanced Billings	179,050	182,311	172,707	165,838	169,299
20 Customer Deposits	4,569	3,502	8,032	7,539	6,937
21 Current Maturities - Long-Term Debt	204,679	6,286	7,428	404,696	4,798
22 Current Deferred Income Taxes	(354,974)	(331,744)	(103,617)	(96,204)	(118,183)
23 Other Current Liabilities	54,536	178,978	433,939	558,153	614,490
24 Total Current Liabilities	8,201,921	6,255,530	4,786,675	4,957,166	4,521,798
LONG-TERM DEBT					
25 Long-Term Debt	1,063,613	1,266,266	2,269,733	2,277,240	2,680,811
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	12,381	14,044	16,787	17,369	19,181
27 Non-Current Deferred Taxes	(83,710)	334,061	475,260	288,277	164,494
28 Other Deferred Credits	177,000	213,246	296,659	268,442	168,191
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	8,031,958	7,338,603	6,115,302	4,636,671	4,560,810
31 Total Other Liab. and Def. Credits	8,137,629	7,899,953	6,904,008	5,210,758	4,912,676
STOCKHOLDER'S EQUITY					
32 Common Stock	29,494	29,557	29,554	29,554	29,554
33 Preferred Stock	419	924	924	925	927
34 Other Paid in Capital	4,936,693	4,914,278	4,793,164	5,331,487	5,691,371
35 Retained Earnings	(8,286,268)	(6,471,235)	(4,416,604)	(3,133,073)	(3,018,377)
36 Total Stockholder's Equity	(3,319,663)	(1,526,477)	407,039	2,228,893	2,703,476
37 Total Liab. and Stockholder's Equity	\$14,083,500	\$13,895,272	\$14,367,455	\$14,674,058	\$14,818,761

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,580,742	\$1,763,052	\$1,970,127	\$2,244,511	\$2,535,741	1
Network Access Services	2,450,013	2,431,420	2,409,357	2,435,233	2,488,242	2
Long Distance Network Services	93,667	104,169	115,138	134,534	143,167	3
Miscellaneous Revenues	1,593,830	1,425,335	1,260,356	1,195,125	1,154,240	4
Less: Uncollectible Revenues	41,861	32,117	62,502	77,107	71,296	5
Total Operating Revenues	5,675,072	5,691,859	5,692,476	5,932,296	6,250,093	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	58,400	20,863	5,281	7,777	23,522	7
General Support Expenses	396,816	390,228	418,046	430,005	457,941	8
Central Office Switching	172,176	171,689	213,156	241,990	233,124	9
Operator Systems Expense	327	462	580	419	429	10
Central Office Transmission	133,339	126,410	148,719	149,932	136,578	11
Info. Origination/Termination	1,040,545	906,731	810,540	641,188	520,660	12
Cable & Wire Facilities	872,094	927,893	962,250	1,242,393	974,917	13
Total Plant Specific Operations	2,673,695	2,544,276	2,558,572	2,713,704	2,347,173	14
Other Plant, Property & Equipment	3,174	1,536	1,317	11,972	12,154	15
Network Operations	623,580	674,006	1,697,530	644,529	795,879	16
Access Expense	143,876	105,745	104,748	125,674	129,210	17
Depreciation and Amortization	1,314,303	1,365,793	1,371,267	1,386,223	1,498,255	18
Total Plant Non-Specific Operations	2,084,933	2,147,081	3,174,862	2,168,398	2,435,498	19
Marketing Expense	319,190	325,331	332,279	351,263	365,012	20
Services Expense	449,356	508,667	620,900	628,213	643,442	21
Total Customer Operations	768,546	833,998	953,179	979,476	1,008,454	22
Executive & Planning	45,340	44,991	50,112	64,370	74,158	23
General & Administrative	2,589,075	2,369,302	1,051,921	897,524	892,287	24
Provision - Uncollectible Notes Rec.						25
Other		40				26
Total Corporate Operations	2,634,415	2,414,334	1,102,032	961,894	966,445	27
Total Operations Expense	8,164,443	7,939,689	7,788,646	6,823,473	6,757,570	28
Other Operating Income & Expenses	6,802	25,319	66,455	37,430	46,282	29
State & Local Income Taxes	(54,075)	(4,877)	(12,250)	(8,646)	198	30
Other Taxes	452,565	502,662	465,409	501,179	517,954	31
Net Operating Income Before FIT	(2,881,059)	(2,720,296)	(2,482,875)	(1,346,280)	(979,347)	32
Investment Tax Credits - Net	1,663	2,743	582	1,811	1,932	33
Federal Income Taxes	(811,741)	(693,307)	(1,071,347)	(758,638)	(295,259)	34
Provision - Def. Operating Income Taxes - Net	(335,099)	(354,777)	119,566	139,176	(174,300)	35
Net Operating Income	(\$1,732,556)	(\$1,669,469)	(\$1,530,512)	(\$725,007)	(\$507,856)	36

Table 3 T

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(1,732,556)	(1,669,469)	(1,530,512)	(725,007)	(507,856)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	220	159	263	84	132
39 Interest Income	1,180	(20,495)	4,991	9,514	32,287
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	14,887	18,262	14,457	16,666	18,512
42 Gains/Losses - Disposal of Property	59	78	143	97	31
43 Equity in Earnings of Affiliated Companies	330,568	425,668	488,620	564,083	64,146
44 Other Non-Operating Income	(51,435)	(15,758)	(7,221)	(8,899)	14,477
45 Special Charges	12,494	3,094	11,184	8,982	8,451
46 Total Non-Operating Income & Expenses	282,985	402,581	490,068	572,563	121,135
NON-OPERATING TAXES					
47 Federal Income Taxes	(10,969)	3,477	12,447	15,531	12,318
48 Other	(57,917)	3,833	4,073	3,873	4,953
49 Total Non-Operating Taxes	(68,886)	7,310	16,519	19,404	17,271
50 Income Available Before Interest Charges	(1,380,685)	(1,274,198)	(1,056,963)	(171,848)	(403,992)
INTEREST CHARGES					
51 Interest on Funded Debt	89,416	152,781	171,443	187,818	190,731
52 Other Interest Expense	244,712	163,051	181,736	117,754	114,093
53 Total Interest Charges	334,128	315,832	353,179	305,572	304,823
54 Income Before Extraordinary & Nonreg Items	(1,714,813)	(1,590,030)	(1,410,142)	(477,419)	(708,815)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					547
56 Nonregulated Revenues	52,907	48,082	52,795	51,218	60,828
57 Total Extraordinary & Nonregulated Items	52,907	47,381	52,064	51,218	61,376
58 Net Income	(\$166,157)	(\$154,234)	(\$135,781)	(\$42,612)	(\$64,731)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$6,838,176)	(\$4,788,636)	(\$3,601,060)	(\$3,226,267)	(\$2,285,501)
60 Transferred from Income	(2,045,165)	(2,018,296)	(1,901,650)	(1,036,964)	(769,325)
61 Appropriations		1,134	2,921		(1,140)
Dividends Declared:					
62 Preferred Stock	23	48	48	49	2,049
63 Common Stock	5,003	406,825	267,348	159,860	176,194
64 Adjustments	148,258	381,155	984,392	822,080	5,662
65 Ending Year Balance	(8,789,495)	(6,838,176)	(4,788,636)	(3,601,060)	(3,226,267)
66 Appropriated/Undistr Affiliate Retained Earnings	503,227	378,304	372,033	467,987	207,890
67 Total Retained Earnings	(\$8,286,268)	(\$6,459,872)	(\$4,416,604)	(\$3,133,073)	(\$3,018,377)

Table 1 WT

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

	2011	2010	2009	2008	2007
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$56,828	\$65,465	\$59,912	\$59,926	\$50,246
2 Accounts Receivable (Net)	244,709	189,603	235,984	195,279	199,495
3 Current Deferred Income Taxes	303	254	237	245	243
4 Other Current Assets	20,565	22,001	22,803	27,969	27,300
5 Total Current Assets	322,404	277,323	318,937	283,420	277,284
NON-CURRENT ASSETS					
6 Investments	89,291	359,873	413,010	391,849	366,026
7 Unamortized Debt Issuance Costs	123	118	164	202	259
8 Deferred Charges	5,511	5,221	4,951	5,446	5,366
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	11,873	10,841	10,176	9,971	10,392
11 Other Non-Current Assets	207,810	209,955	211,031	210,599	211,874
12 Total Non-Current Assets	314,607	586,008	639,332	618,068	593,916
REGULATED PLANT					
13 Total Telecommunications Plant	3,792,101	3,753,128	3,699,667	3,656,191	3,606,646
14 Less: Accumulated Depr and Amort.	2,907,889	2,776,922	2,643,249	2,509,407	2,376,998
15 Net Regulated Plant	884,213	976,206	1,056,418	1,146,783	1,229,648
16 Total Assets & Other Debits	\$1,521,224	\$1,839,538	\$2,014,687	\$2,048,271	\$2,100,848
CURRENT LIABILITIES					
17 Accounts Payable	\$213,639	\$127,032	\$113,736	\$124,209	\$137,420
18 Notes Payable	10,657	6,146	4,174	3,365	3,078
19 Advanced Billings	12,721	13,362	12,851	13,073	13,871
20 Customer Deposits	56	71	134	124	189
21 Current Maturities - Long-Term Debt	4,967	6,150	3,574	3,666	3,770
22 Current Deferred Income Taxes	(60)	(2)	(65)	(44)	(44)
23 Other Current Liabilities	19,255	19,155	15,765	13,727	18,369
24 Total Current Liabilities	261,236	171,913	150,170	158,122	176,654
LONG-TERM DEBT					
25 Long-Term Debt	15,553	18,998	26,138	31,123	37,207
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					13
27 Non-Current Deferred Taxes	210,087	205,539	201,427	184,922	185,659
28 Other Deferred Credits	9,347	13,234	15,323	18,217	29,330
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	180,925	170,012	163,367	156,211	146,564
31 Total Other Liab. and Def. Credits	400,359	388,785	380,117	359,349	361,567
STOCKHOLDER'S EQUITY					
32 Common Stock	28,557	28,554	28,554	28,554	28,566
33 Preferred Stock	924	924	925	927	927
34 Other Paid in Capital	548,610	547,836	547,629	546,904	549,765
35 Retained Earnings	265,987	682,528	881,154	923,293	946,164
36 Total Stockholder's Equity	844,077	1,259,842	1,458,263	1,499,677	1,525,421
37 Total Liab. and Stockholder's Equity	\$1,521,224	\$1,839,538	\$2,014,687	\$2,048,271	\$2,100,848

Table 2 WT

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

INCOME STATEMENT	2011	2010	2009	2008	2007	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$220,121	\$239,194	\$267,908	\$296,370	\$315,834	1
Network Access Services	298,750	300,196	314,452	314,328	344,285	2
Long Distance Network Services	3,280	2,270	4,261	5,580	5,771	3
Miscellaneous Revenues	155,826	176,840	180,216	190,036	196,544	4
Less: Uncollectible Revenues	7,949	8,369	10,498	9,527	10,458	5
Total Operating Revenues	670,027	710,131	756,339	796,787	851,977	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,573	1,516	1,181	732	1,245	7
General Support Expenses	39,194	37,917	33,733	37,222	35,100	8
Central Office Switching	23,048	21,385	23,370	25,688	26,612	9
Operator Systems Expense	344	370	281	246	283	10
Central Office Transmission	13,005	13,649	13,693	13,653	13,222	11
Info. Origination/Termination	19,175	16,471	19,401	18,904	21,002	12
Cable & Wire Facilities	55,138	54,042	53,608	56,357	55,746	13
Total Plant Specific Operations	162,477	145,350	145,267	152,802	153,210	14
Other Plant, Property & Equipment	179	241	530	80	189	15
Network Operations	44,382	44,216	41,657	50,178	54,059	16
Access Expense	15,754	15,004	15,311	16,575	17,567	17
Depreciation and Amortization	152,287	153,300	157,223	164,789	176,518	18
Total Plant Non-Specific Operations	212,602	212,761	214,721	231,623	248,333	19
Marketing Expense	26,521	25,326	24,133	22,795	26,562	20
Services Expense	63,013	59,844	61,211	62,766	70,303	21
Total Customer Operations	89,535	85,170	85,344	85,561	96,865	22
Executive & Planning	16,298	20,157	15,784	15,504	17,830	23
General & Administrative	69,601	85,432	69,822	59,416	53,894	24
Provision - Uncollectible Notes Rec.						25
Other	40					26
Total Corporate Operations	85,939	105,589	85,606	74,920	71,724	27
Total Operations Expense	550,553	548,870	530,938	544,906	570,132	28
Other Operating Income & Expenses	(82)	10	24	23	41	29
State & Local Income Taxes	149	196	186	195	175	30
Other Taxes	39,289	45,332	50,487	51,411	49,854	31
Net Operating Income Before FIT	79,954	115,743	174,752	200,298	231,856	32
Investment Tax Credits - Net				12	2	33
Federal Income Taxes	(7,720)	(5,443)	35,079	62,673	82,711	34
Provision - Def. Operating Income Taxes - Net	19,039	27,459	12,195	7,306	(4,095)	35
Net Operating Income	\$68,635	\$93,727	\$127,477	\$130,331	\$153,242	36

Table 3 WT

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

	2011	2010	2009	2008	2007
37 Net Operating Income	\$68,635	\$93,727	\$127,477	\$130,331	\$153,242
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	703	749	9,102	26,595	26,590
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	630	465	540	954	975
42 Gains/Losses - Disposal of Property	78	143	97	31	82
43 Equity in Earnings of Affiliated Companies	(976)	(181)	122	3,982	1,510
44 Other Non-Operating Income	2,656	7,565	5,378	12,662	19,031
45 Special Charges	(2,593)	3,096	949	1,269	1,043
46 Total Non-Operating Income & Expenses	5,683	5,645	14,290	42,955	47,145
NON-OPERATING TAXES					
47 Federal Income Taxes	11,440	13,445	17,213	12,143	7,764
48 Other	(37)	127	69	205	1,396
49 Total Non-Operating Taxes	11,404	13,572	17,282	12,347	9,159
50 Income Available Before Interest Charges	62,914	85,800	124,484	160,939	191,228
INTEREST CHARGES					
51 Interest on Funded Debt	1,242	1,534	1,648	2,068	2,676
52 Other Interest Expense	11,531	10,501	9,165	7,219	8,046
53 Total Interest Charges	12,773	12,036	10,813	9,287	10,723
54 Income Before Extraordinary & Nonreg Items	50,142	73,764	113,671	151,652	180,505
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items				547	19
56 Nonregulated Revenues	48,082	52,795	51,218	60,828	56,535
57 Total Extraordinary & Nonregulated Items	48,082	52,795	51,218	61,376	56,554
58 Net Income	\$98,224	\$126,559	\$164,889	\$213,027	\$237,059
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$678,205	\$876,005	\$915,589	\$935,392	\$968,652
60 Transferred from Income	\$46,439	71,320	118,171	151,439	179,049
61 Appropriations	\$1,134	\$2,921		(1,140)	
Dividends Declared:					
62 Preferred Stock	\$48	48	49	2,049	3,149
63 Common Stock	\$406,825	267,348	159,860	176,194	211,985
64 Adjustments	(\$38,845)	1,198	2,153	5,860	2,470
65 Ending Year Balance	277,791	678,205	876,005	915,589	935,037
66 Appropriated/Undistr Affiliate Retained Earnings	3,950	4,323	5,149	7,703	11,127
67 Total Retained Earnings	\$281,740	\$682,528	\$881,154	\$923,293	\$946,164

Table 1 AT

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

	2011	2010	2009	2008	2007
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$5,650	\$1,720	\$1,090	\$1,771	\$464,346
2 Accounts Receivable (Net)	977,882	952,831	1,041,877	1,327,972	1,119,158
3 Current Deferred Income Taxes					
4 Other Current Assets	130,240	131,060	183,973	273,110	241,073
5 Total Current Assets	1,113,772	1,085,611	1,226,940	1,602,853	1,824,577
NON-CURRENT ASSETS					
6 Investments	375,552	564,885	731,794	571,274	521,416
7 Unamortized Debt Issuance Costs	5,144	6,103	6,963	7,874	10,608
8 Deferred Charges	97,508	83,248	89,853	89,952	119,515
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	432,505	655,779	674,913	684,317	654,951
12 Total Non-Current Assets	910,709	1,310,015	1,503,522	1,353,417	1,306,491
REGULATED PLANT					
13 Total Telecommunications Plant	32,478,682	32,330,870	33,927,127	33,117,466	32,626,339
14 Less: Accumulated Depr and Amort.	21,266,084	21,103,326	22,714,222	21,978,483	21,415,686
15 Net Regulated Plant	11,212,598	11,227,545	11,212,905	11,138,984	11,210,654
16 Total Assets & Other Debits	\$13,237,079	\$13,623,171	\$13,943,367	\$14,095,254	\$14,341,722
CURRENT LIABILITIES					
17 Accounts Payable	\$697,736	\$585,422	\$564,829	\$936,334	\$919,815
18 Notes Payable	5,437,338	3,618,654	3,300,470	2,848,778	2,063,434
19 Advanced Billings	178,561	168,697	162,321	165,239	165,303
20 Customer Deposits	3,448	7,962	7,406	6,778	7,674
21 Current Maturities - Long-Term Debt	1,319	1,278	401,122	1,131	251,667
22 Current Deferred Income Taxes	(331,684)	(103,615)	(96,139)	(118,139)	33,435
23 Other Current Liabilities	165,996	422,168	550,412	609,883	625,335
24 Total Current Liabilities	6,152,714	4,700,566	4,890,419	4,450,005	4,066,664
LONG-TERM DEBT					
25 Long-Term Debt	1,250,714	2,250,736	2,251,103	2,649,688	2,651,160
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	14,044	16,787	17,369	19,181	21,100
27 Non-Current Deferred Taxes	283,025	423,450	235,257	115,648	149,429
28 Other Deferred Credits	192,812	274,466	245,324	144,127	285,588
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	7,301,307	6,079,175	4,598,826	4,522,372	4,094,940
31 Total Other Liab. and Def. Credits	7,791,187	6,793,878	5,096,776	4,801,326	4,551,057
STOCKHOLDER'S EQUITY					
32 Common Stock	1,001	1,001	1,001	1,001	1,001
33 Preferred Stock					
34 Other Paid in Capital	4,816,905	4,696,565	5,235,094	5,595,704	5,595,697
35 Retained Earnings	(6,775,442)	(4,819,575)	(3,531,027)	(3,402,471)	(2,523,858)
36 Total Stockholder's Equity	(1,957,537)	(122,009)	1,705,068	2,194,235	3,072,840
37 Total Liab. and Stockholder's Equity	\$13,237,079	\$13,623,171	\$13,943,367	\$14,095,254	\$14,341,722

Table 2 AT

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

INCOME STATEMENT	2011	2010	2009	2008	2007	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,694,551	\$1,899,104	\$2,167,692	\$2,455,141	\$2,665,193	1
Network Access Services	2,316,593	2,294,666	2,313,506	2,359,086	2,411,631	2
Long Distance Network Services	101,202	113,257	131,498	139,473	144,025	3
Miscellaneous Revenues	1,381,434	1,204,976	1,146,267	1,103,206	860,186	4
Less: Uncollectible Revenues	30,288	60,688	75,480	68,841	66,706	5
Total Operating Revenues	5,463,493	5,451,315	5,683,483	5,988,066	6,014,329	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	8,945	4,901	7,495	23,071	16,379	7
General Support Expenses	375,780	401,985	416,935	444,746	425,303	8
Central Office Switching	160,426	202,269	229,971	220,134	239,894	9
Operator Systems Expense	419	528	380	399	625	10
Central Office Transmission	118,968	141,713	142,635	128,847	134,630	11
Info. Origination/Termination	900,804	805,327	635,766	514,547	374,961	12
Cable & Wire Facilities	910,924	946,619	1,226,260	957,357	1,055,007	13
Total Plant Specific Operations	2,476,266	2,503,341	2,659,442	2,289,102	2,246,798	14
Other Plant, Property & Equipment	1,356	1,075	11,669	12,087	8,979	15
Network Operations	656,536	1,681,557	628,811	779,192	805,436	16
Access Expense	99,018	98,506	118,785	121,844	134,708	17
Depreciation and Amortization	1,322,733	1,326,501	1,337,827	1,446,423	1,525,445	18
Total Plant Non-Specific Operations	2,079,643	3,107,639	2,097,092	2,359,546	2,474,567	19
Marketing Expense	316,407	323,777	342,615	355,757	397,809	20
Services Expense	489,140	601,642	607,399	621,484	635,422	21
Total Customer Operations	805,547	925,419	950,014	977,241	1,033,231	22
Executive & Planning	33,933	38,415	53,475	62,673	28,329	23
General & Administrative	2,350,108	1,022,111	866,979	862,147	1,083,253	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,384,040	1,060,526	920,454	924,820	1,111,582	27
Total Operations Expense	7,745,496	7,596,925	6,627,002	6,550,709	6,866,178	28
Other Operating Income & Expenses	25,400	66,444	37,405	46,259	87,339	29
State & Local Income Taxes	(5,026)	(12,446)	(8,832)	3	14	30
Other Taxes	488,991	450,923	484,621	501,523	513,725	31
Net Operating Income Before FIT	(2,740,569)	(2,517,642)	(1,381,903)	(1,017,910)	(1,278,249)	32
Investment Tax Credits - Net	2,743	582	1,811	1,920	2,150	33
Federal Income Taxes	(686,682)	(1,071,342)	(773,288)	(311,015)	(228,919)	34
Provision - Def. Operating Income Taxes - Net	(366,926)	109,245	138,736	(176,283)	(242,781)	35
Net Operating Income	(\$1,684,217)	(\$1,554,963)	(\$745,539)	(\$528,692)	(\$804,399)	36

Table 3 AT

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

	2011	2010	2009	2008	2007
37 Net Operating Income	(\$1,684,217)	(\$1,554,963)	(\$745,539)	(\$528,692)	(\$804,399)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	(21,198)	4,242	5,559	21,554	38,101
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	18,157	14,414	16,598	18,390	19,554
42 Gains/Losses - Disposal of Property				18	5
43 Equity in Earnings of Affiliated Companies	426,645	488,801	563,961	60,165	30,548
44 Other Non-Operating Income	(21,998)	(18,678)	(18,857)	(2,077)	(3,827)
45 Special Charges	5,709	8,254	8,336	7,555	10,014
46 Total Non-Operating Income & Expenses	395,897	480,525	558,925	90,496	74,367
NON-OPERATING TAXES					
47 Federal Income Taxes	649	9,230	13,793	7,505	10,826
48 Other	3,870	3,946	3,804	4,748	655
49 Total Non-Operating Taxes	4,518	13,176	17,597	12,253	11,481
50 Income Available Before Interest Charges	(1,292,838)	(1,087,615)	(204,212)	(450,449)	(741,513)
INTEREST CHARGES					
51 Interest on Funded Debt	151,539	169,909	186,170	188,662	201,926
52 Other Interest Expense	161,491	180,289	116,792	114,302	173,017
53 Total Interest Charges	313,030	350,198	302,962	302,965	374,943
54 Income Before Extraordinary & Nonreg Items	(1,605,867)	(1,437,813)	(507,173)	(753,414)	(1,116,456)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	43,081	47,212	46,659	60,126	384,689
57 Total Extraordinary & Nonregulated Items	43,081	47,212	46,659	60,126	384,689
58 Net Income	(\$1,562,786)	(\$1,390,600)	(\$460,514)	(\$693,288)	(\$731,768)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$5,187,285)	(\$3,993,866)	(\$3,602,657)	(\$2,663,880)	(\$713,812)
60 Transferred from Income	(2,032,512)	(1,926,613)	(1,071,134)	(813,579)	(818,900)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	350,000	250,000	140,000	125,000	155,000
64 Adjustments	420,000	983,194	819,926	(199)	(976,169)
65 Ending Year Balance	(7,149,796)	(5,187,285)	(3,993,866)	(3,602,657)	(2,663,880)
66 Appropriated/Undistr Affiliate Retained Earnings	374,354	367,710	462,839	200,187	140,022
67 Total Retained Earnings	(\$6,775,442)	(\$4,819,575)	(\$3,531,027)	(\$3,402,471)	(\$2,523,858)

Table 1 BT

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

	2011	2010	2009	2008	2007
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$56,444	\$63,745	\$59,081	\$59,386	\$53,574
2 Accounts Receivable (Net)	105,726	83,423	78,701	73,809	65,441
3 Current Deferred Income Taxes	303	254	237	245	243
4 Other Current Assets	13,337	15,066	15,241	14,558	14,126
5 Total Current Assets	175,810	162,488	153,261	147,998	133,384
NON-CURRENT ASSETS					
6 Investments	153,097	231,701	213,057	186,909	185,984
7 Unamortized Debt Issuance Costs	123	118	164	202	259
8 Deferred Charges	5,495	5,205	4,935	5,174	5,262
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	11,873	10,841	10,176	9,971	10,392
11 Other Non-Current Assets	23,744	25,725	26,636	26,039	27,148
12 Total Non-Current Assets	194,332	273,590	254,968	228,295	229,045
REGULATED PLANT					
13 Total Telecommunications Plant	1,117,117	1,107,927	1,091,494	1,080,828	1,064,875
14 Less: Accumulated Depr and Amort.	829,066	799,722	769,031	733,615	696,358
15 Net Regulated Plant	288,051	308,205	322,463	347,213	368,517
16 Total Assets & Other Debits	\$658,193	\$744,284	\$730,691	\$723,507	\$730,946
CURRENT LIABILITIES					
17 Accounts Payable	\$70,464	\$57,964	\$47,672	\$55,979	\$37,609
18 Notes Payable	10,657	6,146	4,174	3,365	3,078
19 Advanced Billings	3,750	4,010	3,517	4,060	4,985
20 Customer Deposits	54	70	132	159	205
21 Current Maturities - Long-Term Debt	4,967	6,150	3,574	3,666	3,770
22 Current Deferred Income Taxes	(60)	(2)	(65)	(44)	(44)
23 Other Current Liabilities	12,983	11,771	7,741	4,606	9,271
24 Total Current Liabilities	102,816	86,109	66,746	71,793	58,873
LONG-TERM DEBT					
25 Long-Term Debt	15,553	18,998	26,138	31,123	37,207
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC			0	0	13
27 Non-Current Deferred Taxes	51,036	51,810	53,020	48,847	48,118
28 Other Deferred Credits	20,434	22,193	23,117	24,064	33,604
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	37,296	36,126	37,845	38,438	35,961
31 Total Other Liab. and Def. Credits	108,765	110,129	113,982	111,350	117,696
STOCKHOLDER'S EQUITY					
32 Common Stock	28,556	28,553	28,553	28,553	28,565
33 Preferred Stock	924	924	925	927	927
34 Other Paid in Capital	97,373	96,599	96,393	95,667	98,528
35 Retained Earnings	304,207	402,971	397,954	384,094	389,150
36 Total Stockholder's Equity	431,059	529,048	523,825	509,241	517,170
37 Total Liab. and Stockholder's Equity	\$658,193	\$744,284	\$730,691	\$723,507	\$730,946

Table 2 BT

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

INCOME STATEMENT

TELEPHONE OPERATING REVENUES

Local Network Services	\$68,501	\$71,022	\$76,819	\$80,599	\$86,915	1
Network Access Services	114,828	114,691	121,727	129,156	140,457	2
Long Distance Network Services	2,967	1,881	3,036	3,693	4,382	3
Miscellaneous Revenues	43,900	55,380	48,858	51,034	54,486	4
Less: Uncollectible Revenues	1,830	1,814	1,628	2,455	2,328	5
Total Operating Revenues	228,367	241,160	248,813	262,027	283,913	6

TELEPHONE OPERATING EXPENSES

Network Support Expenses	11,918	380	282	451	774	7
General Support Expenses	14,448	16,062	13,070	13,195	12,961	8
Central Office Switching	11,263	10,886	12,019	12,990	12,584	9
Operator Systems Expense	43	51	39	29	29	10
Central Office Transmission	7,441	7,006	7,297	7,731	7,166	11
Info. Origination/Termination	5,927	5,214	5,422	6,113	6,443	12
Cable & Wire Facilities	16,969	15,632	16,133	17,560	16,514	13
Total Plant Specific Operations	68,010	55,231	54,262	58,071	56,471	14
Other Plant, Property & Equipment	181	242	303	67	189	15
Network Operations	17,470	15,973	15,718	16,688	17,188	16
Access Expense	6,727	6,243	6,888	7,366	7,809	17
Depreciation and Amortization	43,059	44,766	48,396	51,832	55,332	18
Total Plant Non-Specific Operations	67,438	67,224	71,306	75,952	80,518	19
Marketing Expense	8,924	8,502	8,648	9,254	10,195	20
Services Expense	19,527	19,258	20,814	21,959	26,113	21
Total Customer Operations	28,451	27,760	29,463	31,213	36,308	22
Executive & Planning	11,059	11,697	10,895	11,485	12,568	23
General & Administrative	19,195	29,810	30,545	30,140	30,915	24
Provision - Uncollectible Notes Rec.						25
Other	40					26
Total Corporate Operations	30,293	41,506	41,440	41,625	43,483	27
Total Operations Expense	194,192	191,721	196,470	206,861	216,780	28
Other Operating Income & Expenses	(82)	10	24	23	41	29
State & Local Income Taxes	149	196	186	195	175	30
Other Taxes	13,671	14,486	16,558	16,431	17,256	31
Net Operating Income Before FIT	20,272	34,767	35,623	38,564	49,742	32
Investment Tax Credits - Net				12	2	33
Federal Income Taxes	(6,625)	(5)	14,650	15,756	23,204	34
Provision - Def. Operating Income Taxes - Net	12,150	10,321	440	1,984	(3,200)	35
Net Operating Income	\$14,748	\$24,451	\$20,532	\$20,836	\$29,740	36

Table 3 BT

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

	2011	2010	2009	2008	2007
37 Net Operating Income	\$14,748	\$24,451	\$20,532	\$20,836	\$29,740
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	\$159	263	84	132	482
39 Interest Income	703	749	3,955	10,732	11,518
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	105	43	69	122	300
42 Gains/Losses - Disposal of Property	78	143	97	13	75
43 Equity in Earnings of Affiliated Companies	(976)	(181)	122	3,982	1,510
44 Other Non-Operating Income	6,240	11,456	9,958	16,554	23,437
45 Special Charges	(2,615)	2,930	646	896	768
46 Total Non-Operating Income & Expenses	6,684	9,543	13,639	30,639	36,555
NON-OPERATING TAXES					
47 Federal Income Taxes	2,829	3,216	1,738	4,813	3,077
48 Other	(37)	127	69	205	1,396
49 Total Non-Operating Taxes	2,792	3,343	1,807	5,018	4,473
50 Income Available Before Interest Charges	18,640	30,652	32,364	46,457	61,822
INTEREST CHARGES					
51 Interest on Funded Debt	1,242	1,534	1,648	2,068	2,676
52 Other Interest Expense	1,561	1,446	962	(210)	1,322
53 Total Interest Charges	2,802	2,981	2,610	1,858	3,999
54 Income Before Extraordinary & Nonreg Items	15,837	27,671	29,754	44,599	57,823
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items				547	19
56 Nonregulated Revenues	5,001	5,582	4,559	702	(49)
57 Total Extraordinary & Nonregulated Items	4,300	4,852	4,559	1,250	(30)
58 Net Income	\$20,137	\$32,523	\$34,313	\$45,848	\$57,793
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$398,649	\$392,805	\$376,391	\$378,379	\$379,803
60 Transferred from Income	14,215	24,964	34,170	44,254	55,885
61 Appropriations	1,134	2,921		(1,140)	
Dividends Declared:					
62 Preferred Stock	48	48	49	2,049	3,149
63 Common Stock	56,825	17,348	19,860	51,194	56,985
64 Adjustments	(38,845)	1,198	2,153	5,860	2,470
65 Ending Year Balance	311,621	398,649	392,805	376,391	378,023
66 Appropriated/Undistr Affiliate Retained Earnings	3,950	4,323	5,149	7,703	11,127
67 Total Retained Earnings	\$315,570	\$402,971	\$397,954	\$384,094	\$389,150

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$29,784,032	\$31,833,484	\$29,119,453	\$26,645,968	\$29,008,854
2 Accounts Receivable (Net)	9,503,149	4,836,991	4,434,796	3,612,095	3,577,382
3 Current Deferred Income Taxes					
4 Other Current Assets	502,400	490,397	2,017,154	2,598,819	1,209,688
5 Total Current Assets	39,789,581	37,160,872	35,571,403	32,856,882	33,795,924
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	218,609	346,414	484,446	613,142	752,341
12 Total Non-Current Assets	218,609	346,414	484,446	613,142	752,341
REGULATED PLANT					
13 Total Telecommunications Plant	231,685,353	223,507,156	219,783,008	213,305,524	210,477,351
14 Less: Accumulated Depr and Amort.	177,728,068	169,303,614	161,406,175	153,324,053	145,782,209
15 Net Regulated Plant	53,957,285	54,203,542	58,376,833	59,981,471	64,695,142
16 Total Assets & Other Debits	\$93,965,475	\$91,710,828	\$94,432,682	\$93,451,495	\$99,243,407
CURRENT LIABILITIES					
17 Accounts Payable	(\$227,403)	(\$113,197)	\$2,255,870	\$362,274	\$6,003,318
18 Notes Payable					
19 Advanced Billings	244,264	259,222	307,659	369,506	553,202
20 Customer Deposits	850	850	878	1,600	1,063
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	5,155,213	2,001,108	1,587,876	1,413,201	2,053,624
24 Total Current Liabilities	5,172,924	2,147,983	4,152,283	2,146,581	8,611,207
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	10,528,723	11,753,532	12,443,877	13,903,899	13,210,630
28 Other Deferred Credits	1,199,246	1,204,892	1,356,691	1,365,341	1,393,238
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					285,074
31 Total Other Liab. and Def. Credits	11,727,969	12,958,424	13,800,568	15,269,240	14,888,942
STOCKHOLDER'S EQUITY					
32 Common Stock	16,705,393	16,705,393	16,705,393	16,705,393	16,705,393
33 Preferred Stock					
34 Other Paid in Capital	7,310,322	7,310,322	7,310,322	7,310,813	7,310,813
35 Retained Earnings	53,048,867	52,588,706	52,464,116	52,019,468	51,727,052
36 Total Stockholder's Equity	77,064,582	76,604,421	76,479,831	76,035,674	75,743,258
37 Total Liab. and Stockholder's Equity	\$93,965,475	\$91,710,828	\$94,432,682	\$93,451,495	\$99,243,407

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$14,118,783	\$14,753,010	\$15,657,419	\$16,874,261	\$17,842,159	1
Network Access Services	17,544,838	17,724,659	18,080,383	17,865,333	21,465,736	2
Long Distance Network Services	528,501	571,977	643,455	755,583	941,151	3
Miscellaneous Revenues	5,424,862	5,563,322	5,626,395	5,824,857	4,491,842	4
Less: Uncollectible Revenues	421,122	457,089	438,410	501,526	637,848	5
Total Operating Revenues	37,195,862	38,155,879	39,569,242	40,818,508	44,103,040	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	42,247	11,575,046	1,435	(15,005)	88,545	7
General Support Expenses	956,869	1,026,929	1,549,636	1,758,329	1,786,159	8
Central Office Switching	1,701,704	2,012,143	1,786,925	2,098,093	2,357,170	9
Operator Systems Expense						10
Central Office Transmission	1,187,163	1,585,113	1,392,894	1,436,086	1,332,331	11
Info. Origination/Termination	2,455	8,917	2,792	1,457	33,051	12
Cable & Wire Facilities	3,278,271	2,759,980	2,868,052	3,031,883	3,370,732	13
Total Plant Specific Operations	7,168,709	18,968,128	7,601,734	8,310,843	8,967,988	14
Other Plant, Property & Equipment	42,910	22,580	58,004	56,201	(62,532)	15
Network Operations	1,746,989	4,969,760	2,765,330	2,592,418	2,919,776	16
Access Expense	920,539	1,084,639	935,437	1,607,186	1,972,877	17
Depreciation and Amortization	8,806,911	8,403,704	8,767,317	8,385,425	8,815,437	18
Total Plant Non-Specific Operations	11,517,349	14,480,683	12,526,088	12,641,230	13,645,558	19
Marketing Expense	1,653,964	3,084,629	2,472,060	2,537,508	3,119,092	20
Services Expense	1,040,996	1,864,219	1,557,923	1,759,852	1,876,246	21
Total Customer Operations	2,694,960	4,948,848	4,029,983	4,297,360	4,995,338	22
Executive & Planning	368,087	364,945	422,852	459,516	525,022	23
General & Administrative	2,739,229	(8,421,774)	2,702,381	3,904,901	3,497,249	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	3,107,316	(8,056,829)	3,125,233	4,364,417	4,022,271	27
Total Operations Expense	24,488,334	30,340,830	27,283,038	29,613,850	31,631,155	28
Other Operating Income & Expenses	(3,595)					29
State & Local Income Taxes						30
Other Taxes	3,632,662	3,553,122	3,568,859	3,884,753	3,299,330	31
Net Operating Income Before FIT	9,071,271	4,261,927	8,717,344	7,319,905	9,172,555	32
Investment Tax Credits - Net						33
Federal Income Taxes	3,520,533	1,279,744	3,753,385	1,220,776	3,499,570	34
Provision - Def. Operating Income Taxes - Net	(1,195,192)	(690,345)	(1,460,022)	693,274	(1,171)	35
Net Operating Income	\$6,745,930	\$3,672,528	\$6,423,981	\$5,405,855	\$5,674,156	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$6,745,930	\$3,672,528	\$6,423,981	\$5,405,855	\$5,674,156
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	256,140	263,510	244,188	276,609	813,610
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	73,774	39,004	13,332	15,342	18,680
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(2,476,549)	(2,735,662)	(2,436,786)	(2,155,833)	(19,130)
45 Special Charges	(880)	776			
46 Total Non-Operating Income & Expenses	(2,145,755)	(2,433,924)	(2,179,266)	(1,863,882)	813,160
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	4,600,175	1,238,604	4,244,715	3,541,973	6,487,316
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	14	14	67	91	227
53 Total Interest Charges	14	14	67	91	227
54 Income Before Extraordinary & Nonreg Items	4,600,161	1,238,590	4,244,648	3,541,882	6,487,089
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$4,600,161	\$1,238,590	\$4,244,648	\$3,541,882	\$6,487,089
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$52,588,706	\$52,464,116	\$52,019,468	\$51,727,052	\$51,039,963
60 Transferred from Income	4,600,161	1,238,590	4,244,648	3,541,882	6,487,089
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	4,140,000	1,114,000	3,800,000	3,249,466	5,800,000
64 Adjustments					
65 Ending Year Balance	53,048,867	52,588,706	52,464,116	52,019,468	51,727,052
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$53,048,867	\$52,588,706	\$52,464,116	\$52,019,468	\$51,727,052

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$2,141,665	\$1,489,922	\$1,182,733	\$1,042,906	\$829,465
2 Accounts Receivable (Net)	522,365	562,482	549,569	619,220	671,539
3 Current Deferred Income Taxes	22,854	22,295	21,720	20,966	20,081
4 Other Current Assets	154,025	152,131	143,925	165,648	177,511
5 Total Current Assets	2,840,909	2,226,830	1,897,947	1,848,740	1,698,595
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	7,124	7,124	7,124	7,124	7,124
11 Other Non-Current Assets					
12 Total Non-Current Assets	7,124	7,124	7,124	7,124	7,124
REGULATED PLANT					
13 Total Telecommunications Plant	11,463,560	13,274,702	14,047,791	14,116,636	14,156,777
14 Less: Accumulated Depreciation and Amort.	8,558,334	9,721,513	9,858,109	9,474,784	8,993,217
15 Net Regulated Plant	2,905,225	3,553,188	4,189,682	4,641,852	5,163,560
16 Total Assets & Other Debits	\$5,753,258	\$5,787,142	\$6,094,752.2	\$6,497,716	\$6,869,279
CURRENT LIABILITIES					
17 Accounts Payable	\$362,550	\$153,998	\$192,455	\$308,230	\$269,796
18 Notes Payable					
19 Advanced Billings	118,751	129,387	98,165	92,663	96,828
20 Customer Deposits	1,700				
21 Current Maturities - Long-Term Debt	2,597,312	2,725,733	2,860,965	162,585	154,691
22 Current Deferred Income Taxes					
23 Other Current Liabilities	154,498	165,455	186,460	181,468	132,220
24 Total Current Liabilities	3,234,811	3,174,575	3,338,045	744,946	653,535
LONG-TERM DEBT					
25 Long-Term Debt			24,550	2,887,691	3,052,654
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	263,396	403,562	504,534	561,833	693,465
28 Other Deferred Credits	64,929	63,334	61,690	59,538	57,087
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	328,325	466,895	566,225	621,370	750,552
STOCKHOLDER'S EQUITY					
32 Common Stock	243,000	243,000	243,000	243,000	243,000
33 Preferred Stock					
34 Other Paid in Capital	21,000	21,000	21,000	21,000	21,000
35 Retained Earnings	1,926,122	1,881,668	1,901,933	1,979,709	2,148,538
36 Total Stockholder's Equity	2,190,122	2,145,668	2,165,933	2,243,709	2,412,538
37 Total Liab. and Stockholder's Equity	\$5,753,258	\$5,787,138	\$6,094,752.9	\$6,497,716	\$6,869,279

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$664,849	\$643,768	\$608,287	\$632,668	\$623,872	1
Network Access Services	3,096,327	3,084,430	3,553,063	3,299,090	3,212,572	2
Long Distance Network Services	2,383	2,383	3,277	2,383	2,860	3
Miscellaneous Revenues	822,654	804,972	449,743	493,057	515,521	4
Less: Uncollectible Revenues	7,580	36,887	8,570	(232)	40,083	5
Total Operating Revenues	4,578,633	4,498,666	4,605,800	4,427,430	4,314,742	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,137					7
General Support Expenses	66,047	65,142	75,940	82,053	103,710	8
Central Office Switching	121,931	125,962	171,184	227,766	270,798	9
Operator Systems Expense						10
Central Office Transmission	526,000	476,850	443,813	331,483	293,840	11
Info. Origination/Termination	330,281	308,576	370,149	349,749	404,516	12
Cable & Wire Facilities	339,290	341,152	292,130	332,740	372,716	13
Total Plant Specific Operations	1,385,686	1,317,682	1,353,215	1,323,792	1,445,580	14
Other Plant, Property & Equipment	973					15
Network Operations	396,103	397,269	377,298	363,015	308,795	16
Access Expense	87,178	38,626	25,516	22,209	21,082	17
Depreciation and Amortization	696,371	787,618	757,128	933,528	940,595	18
Total Plant Non-Specific Operations	1,180,625	1,223,513	1,159,942	1,318,752	1,270,473	19
Marketing Expense	43,939	49,588	15,901	18,160	16,566	20
Services Expense	389,783	422,758	437,099	411,089	330,077	21
Total Customer Operations	433,722	472,346	453,000	429,249	346,644	22
Executive & Planning	483,031	487,759	486,146	488,541	478,809	23
General & Administrative	615,559	665,967	799,898	826,561	909,632	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,098,590	1,153,726	1,286,045	1,315,102	1,388,441	27
Total Operations Expense	4,098,623	4,167,267	4,252,203	4,386,895	4,451,138	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	308,103	265,753	262,254	260,360	239,112	31
Net Operating Income Before FIT	171,907	65,646	91,344	(219,825)	(375,507)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(7,594)	(53,045)	17,345	(172,316)	(220,981)	34
Provision - Def. Operating Income Taxes - Net						35
Net Operating Income	\$179,501	\$118,691	\$73,999	(\$47,509)	(\$154,526)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$179,501	\$118,691	\$73,999	(\$47,509)	(\$154,526)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	(2,883)	1,779	1,750	4,303	17,147
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	4,851	5,296	3,019	55,262	
45 Special Charges	570	560	685	780	1,100
46 Total Non-Operating Income & Expenses	1,398	6,515	4,084	58,785	16,047
NON-OPERATING TAXES					
47 Federal Income Taxes	3,026	5,322	7,457	23,606	3,388
48 Other					
49 Total Non-Operating Taxes	3,026	5,322	7,457	23,606	3,388
50 Income Available Before Interest Charges	177,873	119,884	70,626	(12,330)	(141,867)
INTEREST CHARGES					
51 Interest on Funded Debt	133,423	140,147	148,400	156,500	164,118
52 Other Interest Expense					
53 Total Interest Charges	133,423	140,147	148,400	156,500	164,118
54 Income Before Extraordinary & Nonreg Items	44,450	(20,263)	(77,775)	(168,829)	(305,985)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$44,450	(\$20,263)	(\$77,775)	(\$168,829)	(\$305,985)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,881,668	\$1,901,932	\$1,979,709	\$2,148,538	\$2,454,523
60 Transferred from Income	44,450	(20,264)	(77,775)	(168,829)	(305,985)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	4				
65 Ending Year Balance	1,926,122	1,881,668	1,901,934	1,979,709	2,148,538
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,926,122	\$1,881,668	\$1,901,934	\$1,979,709	\$2,148,538

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$16,304	\$13,991	\$9,862	\$14,731	\$34,411
2 Accounts Receivable (Net)	219,072	51,388	357,716	675,666	723,286
3 Current Deferred Income Taxes	8,252	12,051	11,370	11,048	13,350
4 Other Current Assets	81,900	66,622	74,636	66,610	97,133
5 Total Current Assets	325,528	144,053	453,585	768,055	868,180
NON-CURRENT ASSETS					
6 Investments	872,630	1,104,897	1,274,854	1,419,038	1,661,433
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes				2,224	2,224
11 Other Non-Current Assets	650,769	650,704	650,616	649,664	646,226
12 Total Non-Current Assets	1,523,399	1,755,601	1,925,470	2,070,926	2,309,883
REGULATED PLANT					
13 Total Telecommunications Plant	17,426,653	17,391,060	17,265,764	16,965,175	16,919,304
14 Less: Accumulated Depr and Amort.	12,165,134	11,865,825	11,232,232	10,989,317	10,780,015
15 Net Regulated Plant	5,261,519	5,525,235	6,033,532	5,975,858	6,139,289
16 Total Assets & Other Debits	\$7,110,445	\$7,424,889	\$8,412,585	\$8,814,839	\$9,317,352
CURRENT LIABILITIES					
17 Accounts Payable	(\$1,472,336)	(\$1,727,221)	(1,237,179)	(\$932,014)	(\$138,293)
18 Notes Payable					
19 Advanced Billings	14,719	49,474	34,397	14,591	
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	31,384	17,790	56,764	33,327	(619,912)
24 Total Current Liabilities	(1,426,233)	(1,659,958)	(1,146,018)	(884,096)	(758,205)
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	993,875	1,050,104	1,111,299	1,018,013	873,945
28 Other Deferred Credits				6,355	6,355
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	22,049	22,049	103,173	171,142	
31 Total Other Liab. and Def. Credits	1,015,924	1,072,153	1,214,472	1,195,510	880,300
STOCKHOLDER'S EQUITY					
32 Common Stock	81,160	81,160	81,160	81,160	81,160
33 Preferred Stock					
34 Other Paid in Capital	(1,346,000)	(1,130,000)	(984,000)	(803,000)	195,000
35 Retained Earnings	8,785,595	9,061,533	9,246,971	9,225,265	8,919,098
36 Total Stockholder's Equity	7,520,755	8,012,693	8,344,131	8,503,425	9,195,258
37 Total Liab. and Stockholder's Equity	\$7,110,446	\$7,424,889	\$8,412,585	\$8,814,839	\$9,317,353

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$781,401	\$888,690	\$941,131	\$948,908	\$1,015,144	1
Network Access Services	1,449,451	1,423,465	1,852,527	2,074,998	2,076,863	2
Long Distance Network Services	2,402	1,449	4,434	5,144	9,254	3
Miscellaneous Revenues	255,925	340,979	307,061	346,701	356,005	4
Less: Uncollectible Revenues	28,322	35,899	50,475	63,625	78,821	5
Total Operating Revenues	2,460,857	2,618,684	3,054,678	3,312,126	3,378,445	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses		188	35			7
General Support Expenses	459,613	482,383	766,161	275,477	231,365	8
Central Office Switching	164,044	194,099	238,567	305,905	310,021	9
Operator Systems Expense						10
Central Office Transmission	834	493	6,817	7,700	16,446	11
Info. Origination/Termination						12
Cable & Wire Facilities	323,691	374,045	293,203	355,880	274,076	13
Total Plant Specific Operations	948,182	1,051,208	1,304,783	944,962	831,908	14
Other Plant, Property & Equipment					2,213	15
Network Operations	127,747	119,398	197,173	245,134	258,969	16
Access Expense	39,768	97,115	96,680	80,184	78,621	17
Depreciation and Amortization	578,298	641,793	751,497	814,390	838,322	18
Total Plant Non-Specific Operations	745,813	858,306	1,045,350	1,139,708	1,178,125	19
Marketing Expense	80,971	82,426	80,936	86,203	44,192	20
Services Expense	270,629	299,193	327,171	360,619	388,593	21
Total Customer Operations	351,600	381,619	408,107	446,822	432,785	22
Executive & Planning	125,115	49,220	142,979	150,010	202,666	23
General & Administrative	413,498	415,702	380,627	641,404	519,519	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	538,613	464,922	523,606	791,414	722,186	27
Total Operations Expense	2,584,208	2,756,055	3,281,846	3,322,906	3,165,004	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	181,869	80,464	196,345	179,120	239,717	31
Net Operating Income Before FIT	(305,220)	(217,835)	(423,512)	(189,900)	(26,276)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(68,322)	(52,800)	(102,247)	(24,946)	(657,800)	34
Provision - Def. Operating Income Taxes - Net	(52,167)	(61,876)	(86,184)	(233,176)	108,237	35
Net Operating Income	(\$184,731)	(\$103,159)	(\$235,081)	\$68,222	\$523,287	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$184,731)	(\$103,159)	(\$235,081)	\$68,222	\$523,287
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(68,268)	(50,956)	(27,184)		
44 Other Non-Operating Income					
45 Special Charges					191,660
46 Total Non-Operating Income & Expenses	(68,268)	(50,956)	(27,184)		(191,660)
NON-OPERATING TAXES					
47 Federal Income Taxes	20,704	25,144	205,948	406,505	646,479
48 Other					
49 Total Non-Operating Taxes	20,704	25,144	205,948	406,505	646,479
50 Income Available Before Interest Charges	(273,703)	(179,259)	(468,213)	(338,283)	(314,852)
INTEREST CHARGES					
51 Interest on Funded Debt					18,039
52 Other Interest Expense	(263)	87,868			7,405
53 Total Interest Charges	(263)	87,868			25,444
54 Income Before Extraordinary & Nonreg Items	(273,440)	(267,127)	(468,213)	(338,283)	(340,296)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					1,764,323
56 Nonregulated Revenues	(2,500)	81,690	462,736	644,450	(1,146,937)
57 Total Extraordinary & Nonregulated Items	(2,500)	81,690	462,736	644,450	617,386
58 Net Income	(\$275,940)	(\$185,437)	(\$5,477)	\$306,167	\$277,090

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,061,533	\$9,246,972	\$9,225,265	\$8,919,098	\$5,404,311
60 Transferred from Income	(207,672)	(134,481)	21,707	306,167	277,090
61 Appropriations					(1,140,000)
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	(68,268)	(50,958)			2,097,698
65 Ending Year Balance	8,785,593	9,061,533	9,246,972	9,225,265	8,919,098
66 Appropriated/Undistributed Affiliated Retained Earnings					
67 Total Retained Earnings	\$8,785,593	\$9,061,533	\$9,246,972	\$9,225,265	\$8,919,098

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,179	\$265	\$1,114	\$4,172	\$4,397
2 Accounts Receivable (Net)	43,591	60,452	57,093	48,574	59,672
3 Current Deferred Income Taxes	6,030	5,472	4,833	4,471	4,098
4 Other Current Assets	1,214,429	934,617	724,184	566,601	400,478
5 Total Current Assets	1,265,229	1,000,806	787,224	623,818	468,645
NON-CURRENT ASSETS					
6 Investments	(51,857)	3,055	24,454	(2,372)	(20,665)
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	73,581	73,581	73,581	73,463	73,193
11 Other Non-Current Assets					
12 Total Non-Current Assets	21,724	76,636	98,035	71,091	52,528
REGULATED PLANT					
13 Total Telecommunications Plant	3,090,330	3,077,113	3,040,109	2,985,022	2,882,205
14 Less: Accumulated Depr and Amort.	2,146,525	1,997,282	1,879,152	1,768,048	1,659,158
15 Net Regulated Plant	943,805	1,079,831	1,160,957	1,216,974	1,223,047
16 Total Assets & Other Debits	\$2,230,758	\$2,157,273	\$2,046,216	\$1,911,883	\$1,744,220
CURRENT LIABILITIES					
17 Accounts Payable		\$4,321	\$15,274	\$56,888	\$1,886
18 Notes Payable					
19 Advanced Billings					1,600
20 Customer Deposits	260	760	760	930	1,620
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	54,675	15,961	29,297	3,784	17,953
24 Total Current Liabilities	54,935	21,042	45,331	61,602	23,059
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	282,074	314,267	311,318	316,514	300,113
28 Other Deferred Credits	24,517	22,877	20,998	19,935	18,838
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	306,591	337,144	332,316	336,449	318,951
STOCKHOLDER'S EQUITY					
32 Common Stock	27,800	27,800	27,800	27,800	27,800
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,841,432	1,771,287	1,640,769	1,486,032	1,374,410
36 Total Stockholder's Equity	1,869,232	1,799,087	1,668,569	1,513,832	1,402,210
37 Total Liab. and Stockholder's Equity	\$2,230,758	\$2,157,273	\$2,046,216	\$1,911,883	\$1,744,220

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$245,213	\$259,021	\$240,503	\$248,406	\$242,278	1
Network Access Services	529,587	544,891	570,446	587,503	601,950	2
Long Distance Network Services	242	291	416	569	649	3
Miscellaneous Revenues	48,901	59,556	63,512	80,811	83,658	4
Less: Uncollectible Revenues	8,199	(532)	2,208	1,287	1,371	5
Total Operating Revenues	815,744	864,291	872,669	916,002	927,164	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses			30			7
General Support Expenses	49,219	46,467	58,081	59,762	90,713	8
Central Office Switching	36,693	31,137	30,115	20,436	22,734	9
Operator Systems Expense						10
Central Office Transmission	83,926	61,331	62,442	44,698	102,039	11
Info. Origination/Termination						12
Cable & Wire Facilities	20,562	28,591	40,440	43,053	53,904	13
Total Plant Specific Operations	190,400	167,526	191,108	167,949	269,390	14
Other Plant, Property & Equipment	5,330	4,688	5,369	5,583	3,755	15
Network Operations	24,340	37,269	64,039	54,900	56,067	16
Access Expense	28,840	21,538	20,407	19,072	17,514	17
Depreciation and Amortization	151,185	149,054	145,691	142,181	154,886	18
Total Plant Non-Specific Operations	209,695	212,549	235,506	221,736	232,222	19
Marketing Expense	28,425	32,539	36,228	36,421	26,725	20
Services Expense	107,948	98,488	72,721	121,131	105,461	21
Total Customer Operations	136,373	131,027	108,949	157,552	132,186	22
Executive & Planning	48,364	67,228	83,695	163,320	158,766	23
General & Administrative	48,624	59,678	59,890	60,547	66,869	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	96,988	126,906	143,585	223,867	225,636	27
Total Operations Expense	633,456	638,008	679,148	771,104	859,434	28
Other Operating Income & Expenses			(5,435)	7,879	754	29
State & Local Income Taxes						30
Other Taxes	30,837	30,471	31,073	36,053	36,987	31
Net Operating Income Before FIT	151,451	195,812	157,013	116,724	31,497	32
Investment Tax Credits - Net						33
Federal Income Taxes	99,298	72,858	71,067	31,754	16,827	34
Provision - Def. Operating Income Taxes - Net	(32,750)	2,310	(5,679)	15,758	3,073	35
Net Operating Income	\$84,903	\$120,644	\$91,625	\$69,212	\$11,597	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$84,903	\$120,644	\$91,625	\$69,212	\$11,597
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income		20			
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction				(256)	4,155
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(54,912)	(21,399)	26,826	18,293	(11,100)
44 Other Non-Operating Income					
45 Special Charges					
46 Total Non-Operating Income & Expenses	(54,912)	(21,379)	26,826	18,037	(6,945)
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	29,991	99,265	118,451	87,249	4,652
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	(40,154)	(31,253)	(36,286)	(24,373)	(22,796)
53 Total Interest Charges	(40,154)	(31,253)	(36,286)	(24,373)	(22,796)
54 Income Before Extraordinary & Nonreg Items	70,145	130,518	154,737	111,622	27,448
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$70,145	\$130,518	\$154,737	\$111,622	\$27,448
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,548,232	\$1,396,315	\$1,268,404	\$1,175,075	\$1,136,527
60 Transferred from Income	125,057	151,917	127,911	93,329	38,548
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,673,289	1,548,232	1,396,315	1,268,404	1,175,075
66 Appropriated/Undistr Affiliate Retained Earnings	168,143	223,055	244,454	217,628	199,335
67 Total Retained Earnings	\$1,841,432	\$1,771,287	\$1,640,769	\$1,486,032	\$1,374,410

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$11,303	\$773	\$145,988	\$183,884	\$21,253
2 Accounts Receivable (Net)	2,836,538	2,459,153	2,335,548	2,019,210	2,109,981
3 Current Deferred Income Taxes		28,283	26,188	24,240	22,493
4 Other Current Assets	206,510	271,720	272,604	309,513	308,386
5 Total Current Assets	3,054,351	2,759,929	2,780,328	2,536,847	2,462,113
NON-CURRENT ASSETS					
6 Investments	34,947	64,535	147,767	25,514	87,598
7 Unamortized Debt Issuance Costs	3,983	5,431	6,881	8,329	9,778
8 Deferred Charges					105,846
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,451,818	1,380,174	1,250,905	1,235,684	1,147,334
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,490,748	1,450,140	1,405,553	1,269,527	1,350,556
REGULATED PLANT					
13 Total Telecommunications Plant	12,920,635	12,970,304	13,030,151	13,139,928	12,997,999
14 Less: Accumulated Depr and Amort.	9,058,248	8,693,199	8,297,599	8,075,363	7,619,496
15 Net Regulated Plant	3,862,387	4,277,105	4,732,552	5,064,565	5,378,503
16 Total Assets & Other Debits	\$8,407,486	\$8,487,174	\$8,918,433	\$8,870,939	\$9,191,172
CURRENT LIABILITIES					
17 Accounts Payable	\$844,154	\$956,095	\$779,815	\$584,874	\$676,871
18 Notes Payable	446,500				
19 Advanced Billings	15,280		20,625	11,175	2,964
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	162,081	162,081	162,081	162,081	154,313
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,606,295	1,170,837	920,574	19,043	564,128
24 Total Current Liabilities	3,074,310	2,289,013	1,883,095	777,173	1,398,276
LONG-TERM DEBT					
25 Long-Term Debt	390,647	569,571	739,918	902,033	1,064,069
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	737,921	794,595	808,105	813,441	821,868
28 Other Deferred Credits	2,325,774	2,436,663	2,434,271	2,428,542	2,423,297
29 Other Jurisdictional Differences - Net					
30 Other Liabilities				790,918	
31 Total Other Liab. and Def. Credits	3,063,695	3,231,258	3,242,376	4,032,901	3,245,165
STOCKHOLDER'S EQUITY					
32 Common Stock	210,000	210,000	210,000	210,000	210,000
33 Preferred Stock	137,350	137,350	137,350	137,350	138,850
34 Other Paid in Capital	(29,348)	(61,342)	77,519	(26,533)	13,410
35 Retained Earnings	1,560,832	2,111,324	2,628,175	2,838,015	3,121,402
36 Total Stockholder's Equity	1,878,834	2,397,332	3,053,044	3,158,832	3,483,662
37 Total Liab. and Stockholder's Equity	\$8,407,486	\$8,487,174	\$8,918,433	\$8,870,939	\$9,191,172

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,187,952	\$1,146,408	\$1,108,748	\$1,183,604	\$1,274,564	1
Network Access Services	3,119,000	3,364,867	3,564,053	3,808,154	3,916,389	2
Long Distance Network Services						3
Miscellaneous Revenues	46,072	58,682	80,429	76,382	98,081	4
Less: Uncollectible Revenues	4,800	1,300	3,000	5,000	17,500	5
Total Operating Revenues	4,348,224	4,568,657	4,750,230	5,063,140	5,271,534	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	38,534	31,176	32,733	27,253	31,963	7
General Support Expenses	476,803	460,380	450,234	484,858	534,876	8
Central Office Switching	293,735	315,415	314,484	273,560	315,912	9
Operator Systems Expense						10
Central Office Transmission	403,514	393,537	413,642	436,826	342,015	11
Info. Origination/Termination						12
Cable & Wire Facilities	251,888	311,285	326,912	289,525	342,644	13
Total Plant Specific Operations	1,464,474	1,511,793	1,538,005	1,512,022	1,567,410	14
Other Plant, Property & Equipment						15
Network Operations	292,229	238,728	305,945	237,271	316,828	16
Access Expense	89,805	78,591	74,451	63,261	69,040	17
Depreciation and Amortization	478,609	529,340	516,505	551,547	586,952	18
Total Plant Non-Specific Operations	860,643	846,659	896,901	852,079	972,820	19
Marketing Expense	29,317	25,812	29,460	24,839	21,727	20
Services Expense	162,209	181,814	165,373	284,543	292,067	21
Total Customer Operations	191,526	207,626	194,833	309,382	313,794	22
Executive & Planning	839,451	837,070	801,741	804,857	837,057	23
General & Administrative	1,418,586	1,459,998	1,416,647	1,507,239	1,614,598	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,258,037	2,297,068	2,218,388	2,312,096	2,451,655	27
Total Operations Expense	4,774,680	4,863,146	4,848,127	4,985,579	5,305,679	28
Other Operating Income & Expenses			7	(5)		29
State & Local Income Taxes						30
Other Taxes	199,226	208,801	225,068	235,312	250,060	31
Net Operating Income Before FIT	(625,682)	(503,290)	(322,958)	(157,756)	(284,205)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(111,876)	(115,588)	(38,292)	12,015	(94,881)	34
Provision - Def. Operating Income Taxes - Net	(116,797)	(72,473)	(76,002)	(77,943)	(18,275)	35
Net Operating Income	(\$397,009)	(\$315,229)	(\$208,664)	(\$91,828)	(\$171,049)	36

1 Restated in 2001

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$397,009)	(\$315,229)	(\$208,664)	(\$91,828)	(\$171,049)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	75	73	763	645	2,587
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(29,588)	(83,232)	122,253	(62,084)	(47,695)
44 Other Non-Operating Income	25,840	27,640	22,600	18,100	27,100
45 Special Charges	40,676	38,714	29,497	24,241	22,145
46 Total Non-Operating Income & Expenses	(44,349)	(94,233)	116,119	(67,580)	(40,153)
NON-OPERATING TAXES					
47 Federal Income Taxes	(5,018)	(3,906)	(2,086)	(1,930)	2,575
48 Other					
49 Total Non-Operating Taxes	(5,018)	(3,906)	(2,086)	(1,930)	2,575
50 Income Available Before Interest Charges	(436,340)	(405,556)	(90,459)	(157,478)	(213,777)
INTEREST CHARGES					
51 Interest on Funded Debt	31,352	39,825	48,019	55,672	62,876
52 Other Interest Expense	13,985	2,655	2,547	1,422	1,426
53 Total Interest Charges	45,337	42,480	50,566	57,094	64,302
54 Income Before Extraordinary & Nonreg Items	(481,677)	(448,036)	(141,025)	(214,572)	(278,079)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$481,677)	(\$448,036)	(\$141,025)	(\$214,572)	(\$278,079)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,134,387	\$2,568,006	\$2,900,099	\$3,121,402	\$3,468,393
60 Transferred from Income	(452,089)	(364,804)	(263,278)	(152,488)	(278,079)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	8,927	8,927	8,927	8,927	9,024
63 Common Stock	59,888	59,888	59,888	59,888	59,888
64 Adjustments					
65 Ending Year Balance	1,613,483	2,134,387	2,568,006	2,900,099	3,121,402
66 Appropriated/Undistr Affiliate Retained Earnings	(52,651)	(23,063)	60,169	(62,084)	
67 Total Retained Earnings	\$1,560,832	\$2,111,324	\$2,628,175	\$2,838,015	\$3,121,402

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$600	\$600	\$4,447	\$5,206	\$17,435
2 Accounts Receivable (Net)	924,927	753,558	1,518,873	2,206,483	2,677,555
3 Current Deferred Income Taxes	18,048	12,392	21,551	24,283	30,606
4 Other Current Assets	480,005	458,554	398,013	381,199	415,888
5 Total Current Assets	1,423,580	1,225,105	1,942,884	2,617,171	3,141,484
NON-CURRENT ASSETS					
6 Investments	319,002	373,722	594,017	559,414	480,003
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	233	775	3,678	8,220	15,032
11 Other Non-Current Assets					
12 Total Non-Current Assets	319,235	374,497	597,695	567,634	495,035
REGULATED PLANT					
13 Total Telecommunications Plant	31,230,690	30,155,794	30,068,775	30,186,736	30,093,303
14 Less: Accumulated Depr and Amort.	22,073,901	21,550,071	21,065,138	21,355,773	21,054,799
15 Net Regulated Plant	9,156,788	8,605,722	9,003,637	8,830,963	9,038,504
16 Total Assets & Other Debits	\$10,899,604	\$10,205,324	\$11,544,216	\$12,015,768	\$12,675,023
CURRENT LIABILITIES					
17 Accounts Payable	\$1,397,119	\$1,207,410	\$1,985,618	\$1,806,703	\$2,938,731
18 Notes Payable					
19 Advanced Billings	19,831	55,017	38,064	22,745	24,555
20 Customer Deposits					31,988
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	62,897	31,947	107,861	45,666	11,892
24 Total Current Liabilities	1,479,847	1,294,374	2,131,543	1,875,114	3,007,165
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,865,491	1,884,742	1,993,234	1,835,934	1,646,981
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities			112,263	671,194	
31 Total Other Liab. and Def. Credits	1,865,491	1,884,742	2,105,497	2,507,128	1,646,981
STOCKHOLDER'S EQUITY					
32 Common Stock	775,320	775,320	775,320	775,320	775,320
33 Preferred Stock					
34 Other Paid in Capital	3,922,500	3,922,500	3,922,500	3,922,500	3,922,500
35 Retained Earnings	2,856,446	2,328,387	2,609,356	2,935,706	3,323,057
36 Total Stockholder's Equity	7,554,266	7,026,207	7,307,176	7,633,526	8,020,877
37 Total Liab. and Stockholder's Equity	\$10,899,604	\$10,205,324	\$11,544,216	\$12,015,768	\$12,675,023

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,426,714	\$1,538,194	\$1,579,064	\$1,688,714	\$1,858,345	1
Network Access Services	3,224,354	3,501,385	4,406,378	4,233,122	4,198,127	2
Long Distance Network Services	31,146	29,394	27,548	24,825	44,319	3
Miscellaneous Revenues	345,484	384,591	402,446	425,296	465,094	4
Less: Uncollectible Revenues	84,744	20,430	28,114	30,805	52,123	5
Total Operating Revenues	4,942,954	5,433,134	6,387,322	6,341,152	6,513,762	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses				(3,739)		7
General Support Expenses	819,297	886,168	1,284,237	510,716	466,712	8
Central Office Switching	361,627	389,729	360,405	405,279	475,244	9
Operator Systems Expense						10
Central Office Transmission	596	1,490	441	611		11
Info. Origination/Termination						12
Cable & Wire Facilities	505,897	490,508	556,364	660,826	643,382	13
Total Plant Specific Operations	1,687,417	1,767,895	2,201,447	1,573,693	1,585,338	14
Other Plant, Property & Equipment		(7,464)		16,189	27,656	15
Network Operations	387,002	409,744	360,965	334,600	382,461	16
Access Expense	123,495	181,108	130,210	175,313	178,346	17
Depreciation and Amortization	632,258	970,765	1,434,453	1,895,781	1,805,397	18
Total Plant Non-Specific Operations	1,142,755	1,554,153	1,925,628	2,421,883	2,393,860	19
Marketing Expense	235,282	249,461	210,933	337,724	325,930	20
Services Expense	340,220	384,763	423,575	487,027	595,655	21
Total Customer Operations	575,502	634,224	634,508	824,751	921,585	22
Executive & Planning	205,685	115,585	92,519	214,718	235,011	23
General & Administrative	987,242	1,046,281	1,033,566	1,294,337	1,363,437	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,192,927	1,161,866	1,126,085	1,509,055	1,598,448	27
Total Operations Expense	4,598,601	5,118,138	5,887,668	6,329,382	6,499,231	28
Other Operating Income & Expenses						29
State & Local Income Taxes					14,832	30
Other Taxes	448,959	418,613	463,633	549,868	458,928	31
Net Operating Income Before FIT	(104,606)	(103,617)	36,021	(538,098)	(459,229)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(54,958)	11,047	182,759	108,325	52,313	34
Provision - Def. Operating Income Taxes - Net	(24,907)	(99,333)	(211,802)	(730,068)	176,540	35
Net Operating Income	(\$24,741)	(\$15,331)	\$65,064	\$83,645	(\$688,082)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$24,741)	(\$15,331)	\$65,064	\$83,645	(\$688,082)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	336,280	489,705	419,603		297,486
44 Other Non-Operating Income					
45 Special Charges		200	220	100	154
46 Total Non-Operating Income & Expenses	336,280	489,505	419,383	(100)	297,332
NON-OPERATING TAXES					
47 Federal Income Taxes	34,378	40,222	415,041	966,097	988
48 Other					
49 Total Non-Operating Taxes	34,378	40,222	415,041	966,097	988
50 Income Available Before Interest Charges	277,161	433,952	69,406	(882,552)	(391,738)
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense			(327)	4,607	9,566
53 Total Interest Charges			(327)	4,607	9,566
54 Income Before Extraordinary & Nonreg Items	277,161	433,952	69,733	(887,159)	(401,304)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	(1,103)	(4,921)	1,064,917	1,884,807	1,123,778
57 Total Extraordinary & Nonregulated Items	(1,103)	(4,921)	1,064,917	1,884,807	1,123,778
58 Net Income	\$276,058	\$429,031	\$1,134,650	\$997,648	\$722,474

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,061,784	\$8,632,753	\$7,917,706	\$5,554,240	\$5,129,250
60 Transferred from Income	276,058	429,031	715,047	997,650	424,990
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments				1,365,816	
65 Ending Year Balance	9,337,842	9,061,784	8,632,753	7,917,706	5,554,240
66 Appropriated/Undistr Affiliate Retained Earnings	(6,481,396)	(6,733,397)	(6,023,397)	(4,982,000)	(2,231,183)
67 Total Retained Earnings	\$2,856,446	\$2,328,387	\$2,609,356	\$2,935,706	\$3,323,057

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$514,299	\$61,129	\$78,789	\$79,646	\$87,115
2 Accounts Receivable (Net)	3,212,668	3,753,625	4,189,509	3,591,585	3,288,247
3 Current Deferred Income Taxes					
4 Other Current Assets	357,545	362,195	326,075	237,686	220,056
5 Total Current Assets	4,084,512	4,176,949	4,594,373	3,908,917	3,595,418
NON-CURRENT ASSETS					
6 Investments	(566,345)	(802,042)	(744,313)	(217,922)	230,666
7 Unamortized Debt Issuance Costs				16	579
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	197,647	190,577	283,170	323,438	464,748
11 Other Non-Current Assets	652,792	624,563	581,450	724,589	750,968
12 Total Non-Current Assets	284,094	13,098	120,307	830,121	1,446,961
REGULATED PLANT					
13 Total Telecommunications Plant	14,804,391	14,922,737	14,816,718	14,796,329	14,733,864
14 Less: Accumulated Depr and Amort.	11,788,509	11,303,711	10,594,616	9,962,878	9,336,635
15 Net Regulated Plant	3,015,882	3,619,026	4,222,102	4,833,451	5,397,229
16 Total Assets & Other Debits	\$7,384,488	\$7,809,073	\$8,936,782	\$9,572,489	\$10,439,608
CURRENT LIABILITIES					
17 Accounts Payable	\$145,930	\$178,915	\$388,121	\$574,709	\$403,005
18 Notes Payable	96,259	168,740	287,769	322,908	430,000
19 Advanced Billings	73,335	33,176	17,431	14,282	25,037
20 Customer Deposits	552	959	680	2,055	3,485
21 Current Maturities - Long-Term Debt	30,291	86,176	140,268	133,447	164,736
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(158,251)	93,183	327,133	(38,109)	(97,334)
24 Total Current Liabilities	188,116	561,149	1,161,402	1,009,292	928,929
LONG-TERM DEBT					
25 Long-Term Debt	66,154	96,441	182,621	322,906	456,362
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	787,926	907,275	1,033,362	1,101,569	1,114,803
28 Other Deferred Credits	322,078	380,119	452,453	632,665	1,012,262
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	244,000	212,000	412,000	349,000	385,000
31 Total Other Liab. and Def. Credits	1,354,004	1,499,394	1,897,815	2,083,234	2,512,065
STOCKHOLDER'S EQUITY					
32 Common Stock	62,100	62,100	62,100	62,100	62,100
33 Preferred Stock	130,000	130,000	130,000	130,000	130,000
34 Other Paid in Capital		691	994	9,834	(11,832)
35 Retained Earnings	5,584,114	5,459,298	5,501,850	5,955,123	6,361,984
36 Total Stockholder's Equity	5,776,214	5,652,089	5,694,944	6,157,057	6,542,252
37 Total Liab. and Stockholder's Equity	\$7,384,488	\$7,809,073	\$8,936,782	\$9,572,489	\$10,439,608

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$833,594	\$834,269	\$908,165	\$808,304	\$838,183	1
Network Access Services	1,410,956	1,371,923	1,353,941	1,495,528	1,581,152	2
Long Distance Network Services	4,571	3,255	39,275	42,420	23,605	3
Miscellaneous Revenues	228,022	212,155	308,532	527,103	516,186	4
Less: Uncollectible Revenues	(668)	4,181	5,748	4,150	10,275	5
Total Operating Revenues	2,477,811	2,417,421	2,604,165	2,869,205	2,948,851	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	13,313	9,578	7,827	9,226	11,261	7
General Support Expenses	82,496	98,689	96,213	93,461	100,568	8
Central Office Switching	153,870	168,581	203,822	206,718	191,309	9
Operator Systems Expense						10
Central Office Transmission	3,634	13,905	8,210	1,802	4,721	11
Info. Origination/Termination						12
Cable & Wire Facilities	228,144	191,071	254,760	258,441	361,286	13
Total Plant Specific Operations	481,457	481,824	570,832	569,648	669,145	14
Other Plant, Property & Equipment						15
Network Operations	146,836	150,887	127,657	92,917	80,791	16
Access Expense	60,154	54,002	56,147	58,926	54,519	17
Depreciation and Amortization	744,483	724,483	664,108	662,117	651,777	18
Total Plant Non-Specific Operations	951,473	929,372	847,912	813,960	787,087	19
Marketing Expense	30,438	24,044	34,461	55,402	50,597	20
Services Expense	259,768	231,596	223,544	231,083	264,877	21
Total Customer Operations	290,206	255,640	258,005	286,485	315,474	22
Executive & Planning	358,746	311,752	299,446	321,995	331,780	23
General & Administrative	482,101	261,718	512,780	493,569	621,443	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	840,847	573,470	812,226	815,564	953,223	27
Total Operations Expense	2,563,983	2,240,306	2,488,975	2,485,657	2,724,929	28
Other Operating Income & Expenses		110	172	787	762	29
State & Local Income Taxes						30
Other Taxes	122,236	130,466	141,410	152,487	155,134	31
Net Operating Income Before FIT	(208,408)	46,759	(26,048)	231,848	69,550	32
Investment Tax Credits - Net						33
Federal Income Taxes	56,963	53,734	18,303	(47,527)	(115,923)	34
Provision - Def. Operating Income Taxes - Net	(126,063)	(33,312)	(23,411)	116,913	147,100	35
Net Operating Income	(\$139,308)	\$26,337	(\$20,940)	\$162,462	\$38,373	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$139,308)	\$26,337	(\$20,940)	\$162,462	\$38,373
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income			481	1,261	1,853
39 Interest Income	3,024	3,015	3,954	884	570
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	236,744	(57,193)	(410,448)	(472,409)	402,374
44 Other Non-Operating Income	4,417	4,628	17,032	(11,451)	2,400
45 Special Charges	(25,732)	3,613	3,261	42,289	13,585
46 Total Non-Operating Income & Expenses	269,917	(53,163)	(392,242)	(524,004)	393,612
NON-OPERATING TAXES					
47 Federal Income Taxes	891	669	5,270	(8,639)	(8,689)
48 Other					
49 Total Non-Operating Taxes	891	669	5,270	(8,639)	(8,689)
50 Income Available Before Interest Charges	129,718	(27,495)	(418,452)	(352,903)	440,674
INTEREST CHARGES					
51 Interest on Funded Debt	6,460	12,827	19,864	26,761	36,466
52 Other Interest Expense	(8,058)	(4,270)	8,457	20,697	35,012
53 Total Interest Charges	(1,598)	8,557	28,321	47,458	71,478
54 Income Before Extraordinary & Nonreg Items	131,316	(36,052)	(446,773)	(400,361)	369,196
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$131,316	(\$36,052)	(\$446,773)	(\$400,361)	\$369,196

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,721,386	\$6,706,745	\$6,749,570	\$6,684,022	\$6,723,700
60 Transferred from Income	(105,428)	21,141	(36,325)	72,048	(33,178)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	6,500	6,500	6,500	6,500	6,500
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	6,609,458	6,721,386	6,706,745	6,749,570	6,684,022
66 Appropriated/Undistr Affiliate Retained Earnings	(1,025,344)	(1,262,088)	(1,204,895)	(794,447)	(322,038)
67 Total Retained Earnings	\$5,584,114	\$5,459,298	\$5,501,850	\$5,955,123	\$6,361,984

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$41,470	\$54,660	\$113,496	\$168,716	\$183,372
2 Accounts Receivable (Net)	1,398,398	1,242,785	1,122,839	1,431,543	1,307,947
3 Current Deferred Income Taxes					
4 Other Current Assets	211,962	159,036	180,376	178,985	189,162
5 Total Current Assets	1,651,830	1,456,481	1,416,711	1,779,244	1,680,482
NON-CURRENT ASSETS					
6 Investments	6,360,764	5,795,260	5,706,852	5,280,425	4,867,074
7 Unamortized Debt Issuance Costs	47,756	52,563	57,371	62,178	66,985
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,485,031	1,353,212	1,274,531	1,227,805	1,116,178
11 Other Non-Current Assets					233,077
12 Total Non-Current Assets	7,893,551	7,201,035	7,038,754	6,570,408	6,283,315
REGULATED PLANT					
13 Total Telecommunications Plant	9,364,978	9,425,992	9,306,939	8,907,927	8,626,657
14 Less: Accumulated Depr and Amort.	6,023,550	5,667,980	5,308,379	4,813,494	4,534,233
15 Net Regulated Plant	3,341,428	3,758,012	3,998,560	4,094,433	4,092,423
16 Total Assets & Other Debits	\$12,886,808	\$12,415,527	\$12,454,024	\$12,444,085	\$12,056,220
CURRENT LIABILITIES					
17 Accounts Payable	\$136,158	\$92,755	\$99,532	\$138,213	\$199,367
18 Notes Payable	486,544	222,038	18,213	124,209	124,642
19 Advanced Billings			678	17,555	15,864
20 Customer Deposits	2,659	2,917	3,435	3,610	2,754
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(337,318)	(296,537)	(175,947)	(238,353)	(285,083)
24 Total Current Liabilities	288,044	21,173	(54,089)	45,233	57,544
LONG-TERM DEBT					
25 Long-Term Debt	2,716,140	2,954,338	3,182,227	3,399,939	3,222,938
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	659,853	424,586	412,835	408,160	571,541
28 Other Deferred Credits	1,229,823	1,242,491	1,249,755	1,261,177	1,257,660
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,703,319	2,411,375	2,299,555	2,092,480	1,746,745
31 Total Other Liab. and Def. Credits	3,592,995	4,078,452	3,962,145	3,761,817	3,575,946
STOCKHOLDER'S EQUITY					
32 Common Stock	42,000	42,000	42,000	42,000	42,000
33 Preferred Stock	23,000	23,000	23,000	23,000	23,000
34 Other Paid in Capital	425,531	(195,227)	(213,662)	(213,409)	(23,130)
35 Retained Earnings	5,799,098	5,491,790	5,512,403	5,385,505	5,157,922
36 Total Stockholder's Equity	6,289,629	5,361,563	5,363,741	5,237,096	5,199,792
37 Total Liab. and Stockholder's Equity	\$12,886,808	\$12,415,527	\$12,454,024	\$12,444,085	\$12,056,220

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$211,633	\$205,476	\$228,957	\$238,376	\$216,047	1
Network Access Services	1,361,971	1,335,887	1,513,418	1,731,528	1,938,080	2
Long Distance Network Services						3
Miscellaneous Revenues	82,114	83,005	98,080	135,773	191,976	4
Less: Uncollectible Revenues	17,914			17,655	3,393	5
Total Operating Revenues	1,637,803	1,624,368	1,840,455	2,088,021	2,342,709	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,000	1,054	581	1,484	185	7
General Support Expenses	170,818	163,506	149,561	140,093	181,412	8
Central Office Switching	138,869	125,740	119,702	117,926	115,572	9
Operator Systems Expense						10
Central Office Transmission	93,341	83,042	94,055	102,581	130,013	11
Info. Origination/Termination	26,814	16,738	4,850	31,106	71,066	12
Cable & Wire Facilities	57,921	101,328	86,966	81,135	94,022	13
Total Plant Specific Operations	489,764	491,408	455,715	474,324	592,271	14
Other Plant, Property & Equipment					194	15
Network Operations	89,548	108,658	100,921	121,952	198,800	16
Access Expense	42,038	53,850	56,372	42,833	37,814	17
Depreciation and Amortization	354,232	408,809	451,396	454,800	462,908	18
Total Plant Non-Specific Operations	485,818	571,317	608,689	619,585	699,716	19
Marketing Expense	4,175	4,796	12,792	38,734	43,875	20
Services Expense	150,358	136,261	177,591	164,662	165,063	21
Total Customer Operations	154,534	141,057	190,383	203,396	208,938	22
Executive & Planning	180,807	142,336	180,361	322,389	264,745	23
General & Administrative	328,624	386,475	424,251	529,983	420,925	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	509,431	528,811	604,611	852,372	685,670	27
Total Operations Expense	1,639,547	1,732,593	1,859,398	2,149,678	2,186,595	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	80,650	95,954	154,190	124,650	121,120	31
Net Operating Income Before FIT	(82,394)	(204,179)	(173,133)	(186,306)	34,994	32
Investment Tax Credits - Net						33
Federal Income Taxes	56,275	(66,210)	(28,277)	(23,696)	(52,214)	34
Provision - Def. Operating Income Taxes - Net	(163,423)	(83,422)	(53,915)	(110,334)	1,275	35
Net Operating Income	\$24,754	(\$54,547)	(\$90,941)	(\$52,277)	\$85,933	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$24,754	(\$54,547)	(\$90,941)	(\$52,277)	\$85,933
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	1,300	1,250	1,262	1,334	2,036
39 Interest Income	10,011	4,038	11,824	17,588	1,876
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	317,992	213,647	372,462	377,303	298,936
44 Other Non-Operating Income	62,705	29,417	42,890	31,544	43,331
45 Special Charges	19,376	22,142	21,172	24,112	25,498
46 Total Non-Operating Income & Expenses	372,631	226,210	407,267	403,657	320,680
NON-OPERATING TAXES					
47 Federal Income Taxes	12,020	11,063	11,864	7,635	9,148
48 Other					
49 Total Non-Operating Taxes	12,020	11,063	11,864	7,635	9,148
50 Income Available Before Interest Charges	385,365	160,600	304,462	343,745	397,465
INTEREST CHARGES					
51 Interest on Funded Debt	126,409	137,004	147,461	153,643	146,627
52 Other Interest Expense	35,602	24,789	30,102	30,528	93,047
53 Total Interest Charges	162,011	161,793	177,564	184,171	239,674
54 Income Before Extraordinary & Nonreg Items	223,354	(1,193)	126,898	159,574	157,791
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$223,354	(\$1,193)	\$126,898	\$159,574	\$157,791

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,225,983	\$2,461,780	\$2,707,343	\$2,931,385	\$3,076,530
60 Transferred from Income	(94,638)	(214,839)	(245,564)	(217,728)	(141,145)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					4,000
64 Adjustments	43,018	(20,958)		(6,314)	
65 Ending Year Balance	2,174,363	2,225,983	2,461,780	2,707,343	2,931,385
66 Appropriated/Undistr Affiliate Retained Earnings	3,624,735	3,265,807	3,050,623	2,678,162	2,226,537
67 Total Retained Earnings	\$5,799,098	\$5,491,790	\$5,512,403	\$5,385,505	\$5,157,922

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments		\$1,050	(\$43,783)	(\$340,535)	\$222,711
2 Accounts Receivable (Net)	\$55,116,889	71,173,567	45,784,963	48,208,798	51,438,832
3 Current Deferred Income Taxes					
4 Other Current Assets	290,975	244,460	189,809	206,468	145,834
5 Total Current Assets	55,407,864	71,419,078	45,930,988	48,074,730	51,807,377
NON-CURRENT ASSETS					
6 Investments	(209,894,403)	(371,933,297)	(191,013,924)	(9,485,289)	49,707,378
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	(273)	(273)	(273)	(273)	(273)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	(209,894,676)	(371,933,570)	(191,014,197)	(9,485,561)	49,707,105
REGULATED PLANT					
13 Total Telecommunications Plant	1,175,547,391	1,164,741,548	1,149,821,862	1,130,417,135	1,112,226,721
14 Less: Accumulated Depr and Amort.	933,894,208	894,580,853	852,975,688	811,820,320	772,302,675
15 Net Regulated Plant	241,653,183	270,160,696	296,846,174	318,596,815	339,924,046
16 Total Assets & Other Debits	\$87,166,371	(\$30,353,796)	\$151,762,966	\$357,185,984	\$441,438,528
CURRENT LIABILITIES					
17 Accounts Payable	\$142,955,687	\$56,822,290	26,095,176	\$24,568,387	\$27,104,192
18 Notes Payable					
19 Advanced Billings	5,322,130	5,538,030	5,719,758	5,685,693	5,585,884
20 Customer Deposits	130	(109)	537	1,326	(45,609)
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	2,867,193	3,854,026	3,387,986	2,618,047	1,003,343
24 Total Current Liabilities	151,145,140	66,214,237	35,203,457	32,873,453	33,647,809
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	96,124,639	92,076,931	88,029,223	83,981,515	78,617,888
28 Other Deferred Credits	13,058,280	13,230,947	12,947,091	12,138,498	12,637,181
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	109,182,919	105,307,878	100,976,314	96,120,014	91,255,069
STOCKHOLDER'S EQUITY					
32 Common Stock	1,000	1,000	1,000	1,000	1,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	(173,162,689)	(201,876,912)	15,582,195	228,191,518	316,534,650
36 Total Stockholder's Equity	(173,161,689)	(201,875,912)	15,583,195	228,192,518	316,535,650
37 Total Liab. and Stockholder's Equity	\$87,166,371	(\$30,353,796)	\$151,762,966	\$357,185,984	\$441,438,528

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$57,629,255	\$61,084,483	\$65,157,082	\$70,604,566	\$75,647,441	1
Network Access Services	80,211,686	86,324,491	87,642,700	98,342,953	103,808,177	2
Long Distance Network Services	(357)	(78)	(279)	(1,225)	(187)	3
Miscellaneous Revenues	48,951,117	51,360,974	55,223,661	55,310,576	57,020,390	4
Less: Uncollectible Revenues	2,668,706	3,449,669	2,844,290	4,015,728	3,399,801	5
Total Operating Revenues	184,122,994	195,320,201	205,178,874	220,241,142	233,076,020	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(91,695)	1,531	246,869	274	3,050	7
General Support Expenses	7,502,709	10,428,168	9,180,239	9,293,831	9,642,927	8
Central Office Switching	4,941,001	5,133,304	4,808,606	5,340,714	5,489,499	9
Operator Systems Expense	15,304	117,415	137,974	104,852	75,603	10
Central Office Transmission	2,007,564	1,978,114	1,894,671	1,551,583	1,524,627	11
Info. Origination/Termination	6,513,595	7,405,576	6,874,290	7,586,948	7,627,496	12
Cable & Wire Facilities	14,804,431	14,951,112	13,763,790	13,493,068	13,179,094	13
Total Plant Specific Operations	35,692,910	40,015,220	36,906,438	37,371,272	37,542,296	14
Other Plant, Property & Equipment	(14,287)	(495)	81	2,952	5,511	15
Network Operations	13,969,677	10,338,009	12,965,097	11,937,482	12,338,571	16
Access Expense	3,825,424	3,623,756	3,410,336	2,925,071	3,335,015	17
Depreciation and Amortization	41,477,939	40,400,175	39,334,183	38,865,922	44,313,834	18
Total Plant Non-Specific Operations	59,258,753	54,361,445	55,709,696	53,731,427	59,992,931	19
Marketing Expense	6,554,963	6,074,314	6,370,452	5,890,245	5,169,752	20
Services Expense	11,038,036	12,710,996	10,422,336	9,611,905	8,590,711	21
Total Customer Operations	17,593,000	18,785,310	16,792,788	15,502,150	13,760,463	22
Executive & Planning	1,627,348	2,341,184	3,947,146	2,188,101	1,568,990	23
General & Administrative	10,258,817	16,293,656	19,322,816	12,411,503	11,520,889	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	11,886,165	18,634,840	23,269,961	14,599,604	13,089,879	27
Total Operations Expense	124,430,827	131,796,815	132,678,883	121,204,454	124,385,569	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	10,101,050	9,127,361	10,569,920	12,843,386	14,296,918	31
Net Operating Income Before FIT	49,591,117	54,396,025	61,930,071	86,193,302	94,393,534	32
Investment Tax Credits - Net						33
Federal Income Taxes	12,617,006	14,659,819	16,146,331	16,110,067	20,118,945	34
Provision - Def. Operating Income Taxes - Net	(4,242,699)	(4,414,465)	(4,432,530)	5,017,032	4,047,714	35
Net Operating Income	\$41,216,810	\$44,150,671	\$50,216,270	\$65,066,203	\$70,226,875	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$41,216,810	\$44,150,671	\$50,216,270	\$65,066,203	\$70,226,875
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	2,220	209,405	222,854	277,840	396,990
42 Gains/Losses - Disposal of Property	(609)				18,750
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(5,849,773)	(5,849,773)	(5,849,773)	(5,849,773)	(5,849,531)
45 Special Charges	9,514	297	116,904	45,944	100,309
46 Total Non-Operating Income & Expenses	(5,857,676)	(5,640,665)	(5,743,823)	(5,617,877)	(5,534,100)
NON-OPERATING TAXES					
47 Federal Income Taxes	6,644,595	5,969,021	7,081,653	7,791,409	7,329,536
48 Other					
49 Total Non-Operating Taxes	6,644,595	5,969,021	7,081,653	7,791,409	7,329,536
50 Income Available Before Interest Charges	28,714,539	32,540,985	37,390,794	51,656,917	57,363,239
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	315	87	115	49	225
53 Total Interest Charges	315	87	115	49	225
54 Income Before Extraordinary & Nonreg Items	28,714,224	32,540,898	37,390,679	51,656,868	57,363,014
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	25,664,527	25,122,986	28,228,259	25,829,921	25,345,935
57 Total Extraordinary & Nonregulated Items	25,664,527	25,122,986	28,228,259	25,829,921	25,345,935
58 Net Income	\$54,378,751	\$57,663,884	\$65,618,938	\$77,486,789	\$82,708,949

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$201,876,912)	\$15,582,198	\$228,191,518	\$316,534,650	\$319,171,636
60 Transferred from Income	28,714,224	32,540,890	37,390,680	51,656,868	57,363,014
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		250,000,000	250,000,000	140,000,000	60,000,000
64 Adjustments					
65 Ending Year Balance	(173,162,688)	(201,876,912)	15,582,198	228,191,518	316,534,650
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	(\$173,162,688)	(\$201,876,912)	\$15,582,198	\$228,191,518	\$316,534,650

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$83,899	\$223,992	\$102,638	\$98,230	\$142,995
2 Accounts Receivable (Net)	226,528	294,678	271,542	243,661	278,929
3 Current Deferred Income Taxes					
4 Other Current Assets	161,473	166,547	172,828	190,364	230,120
5 Total Current Assets	471,900	685,218	547,008	532,256	652,043
NON-CURRENT ASSETS					
6 Investments	380,031	226,273	178,795	153,052	185,856
7 Unamortized Debt Issuance Costs	1,906	2,163	2,599	3,034	3,470
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	454,917	482,430	537,260	579,580	534,390
11 Other Non-Current Assets					
12 Total Non-Current Assets	836,854	710,866	718,653	735,666	723,715
REGULATED PLANT					
13 Total Telecommunications Plant	7,109,341	7,109,595	7,075,526	7,052,722	6,925,292
14 Less: Accumulated Depr and Amort.	5,092,298	4,790,957	4,484,663	4,193,212	3,919,591
15 Net Regulated Plant	2,017,042	2,318,638	2,590,863	2,859,510	3,005,701
16 Total Assets & Other Debits	\$3,325,796	\$3,714,722	\$3,856,525	\$4,127,431	\$4,381,459
CURRENT LIABILITIES					
17 Accounts Payable	\$73,194	\$356,646	\$354,071	\$325,706	\$176,996
18 Notes Payable	6,926	8,679	10,495	11,036	11,669
19 Advanced Billings		4,400	4,400	4,400	4,400
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	226,824	150,458	74,070	3,095	2,513
24 Total Current Liabilities	306,944	520,183	443,035	344,236	195,578
LONG-TERM DEBT					
25 Long-Term Debt	2,722,420	2,878,967	3,069,017	3,226,266	3,387,032
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	318,682	393,119	445,588	480,057	508,425
28 Other Deferred Credits					1
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	318,682	393,119	445,588	480,057	508,426
STOCKHOLDER'S EQUITY					
32 Common Stock	24,300	24,300	24,300	24,300	24,300
33 Preferred Stock					
34 Other Paid in Capital	45,479	42,009	38,594	29,158	23,383
35 Retained Earnings	(92,029)	(143,857)	(164,011)	23,414	242,740
36 Total Stockholder's Equity	(22,250)	(77,548)	(101,117)	76,872	290,423
37 Total Liab. and Stockholder's Equity	\$3,325,796	\$3,714,720	\$3,856,523	\$4,127,431	\$4,381,459

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$276,770	\$280,224	\$262,754	\$262,493	\$222,565	1
Network Access Services	918,841	973,621	979,498	914,400	1,265,206	2
Long Distance Network Services	236,064	236,064	236,063	160,140	189,833	3
Miscellaneous Revenues	66,181	109,886	60,959	85,437	74,932	4
Less: Uncollectible Revenues	4,500	18,500	3,000	6,600	3,000	5
Total Operating Revenues	1,493,357	1,581,295	1,536,275	1,415,870	1,749,536	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(1,437)	1,509	2,018	3,365	7,905	7
General Support Expenses	51,556	49,814	45,001	55,631	64,716	8
Central Office Switching	90,213	84,853	104,322	116,631	110,594	9
Operator Systems Expense						10
Central Office Transmission	69,248	64,010	84,770	63,393		11
Info. Origination/Termination	24,015	16,962	15,513	11,307	12,286	12
Cable & Wire Facilities	228,450	207,928	209,868	176,179	230,788	13
Total Plant Specific Operations	462,045	425,076	461,493	426,507	426,288	14
Other Plant, Property & Equipment						15
Network Operations	28,401	31,800	78,190	61,246	28,546	16
Access Expense	23,630	22,084	30,083	29,099	12,462	17
Depreciation and Amortization	302,950	301,905	299,899	291,226	292,991	18
Total Plant Non-Specific Operations	354,981	355,789	408,172	381,571	333,999	19
Marketing Expense	8,951	4,248	8,546	9,737	77,235	20
Services Expense	167,528	136,507	139,205	201,837	181,096	21
Total Customer Operations	176,479	140,755	147,751	211,574	258,331	22
Executive & Planning	198,183	197,941	232,096	190,481	238,338	23
General & Administrative	232,276	261,743	242,936	283,329	319,997	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	430,459	459,684	475,032	473,810	558,336	27
Total Operations Expense	1,423,964	1,381,304	1,492,447	1,493,462	1,576,954	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	49,425	62,515	69,237	72,289	94,215	31
Net Operating Income Before FIT	19,968	137,476	(25,409)	(149,881)	78,367	32
Investment Tax Credits - Net						33
Federal Income Taxes					2,233	34
Provision - Def. Operating Income Taxes - Net	(42,863)	2,578	3,006	(71,421)	(7,761)	35
Net Operating Income	\$62,831	\$134,898	(\$28,415)	(\$78,460)	\$83,895	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$62,831	\$134,898	(\$28,415)	(\$78,460)	\$83,895
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income		4,664	5,088		
39 Interest Income			11		239
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	148,500	42,305	11,446	(41,555)	(178,528)
44 Other Non-Operating Income		3,619		29	12
45 Special Charges	17,206	10,473	9,603	(70,071)	14,891
46 Total Non-Operating Income & Expenses	131,294	40,115	6,942	28,545	(193,168)
NON-OPERATING TAXES					
47 Federal Income Taxes	(5,849)	(1,975)	(16)	(5,113)	(2,233)
48 Other					
49 Total Non-Operating Taxes	(5,849)	(1,975)	(16)	(5,113)	(2,233)
50 Income Available Before Interest Charges	199,974	176,988	(21,457)	(44,802)	(107,039)
INTEREST CHARGES					
51 Interest on Funded Debt	146,085	154,653	162,741	171,467	179,469
52 Other Interest Expense	2,063	2,181	3,227	3,058	4,292
53 Total Interest Charges	148,148	156,834	165,968	174,525	183,761
54 Income Before Extraordinary & Nonreg Items	51,829	20,154	(187,425)	(219,326)	(290,800)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$51,829	\$20,154	(\$187,425)	(\$219,326)	(\$290,800)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$3,906,784	\$3,928,935	\$4,127,806	\$4,305,577	\$4,417,849
60 Transferred from Income	(96,671)	(22,151)	(198,871)	(177,771)	(112,272)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	3,810,112	3,906,784	3,928,935	4,127,806	4,305,577
66 Appropriated/Undistr Affiliate Retained Earnings	(3,902,141)	(4,050,641)	(4,092,946)	(4,104,392)	(4,062,836)
67 Total Retained Earnings	(\$92,029)	(\$143,857)	(\$164,011)	\$23,414	\$242,740

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,561,100	\$912,246	\$960,142	\$2,609,211	\$3,953,902
2 Accounts Receivable (Net)	1,313,655	1,707,142	1,278,360	1,560,652	1,290,280
3 Current Deferred Income Taxes	7,545	6,864	6,078	5,252	4,360
4 Other Current Assets	293,134	310,608	380,987	257,979	296,706
5 Total Current Assets	3,175,434	2,936,859	2,625,567	4,433,094	5,545,248
NON-CURRENT ASSETS					
6 Investments	647,303	612,606	699,668	632,665	622,768
7 Unamortized Debt Issuance Costs		246	984	1,722	2,460
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	929,658	1,067,314	1,103,999	791,252	833,346
11 Other Non-Current Assets	385,127	359,511	335,257	311,883	288,533
12 Total Non-Current Assets	1,962,088	2,039,677	2,139,908	1,737,522	1,747,107
REGULATED PLANT					
13 Total Telecommunications Plant	18,329,611	17,969,891	17,729,715	16,315,770	15,374,007
14 Less: Accumulated Depr and Amort.	10,409,129	9,629,730	8,996,691	8,833,557	8,423,174
15 Net Regulated Plant	7,920,482	8,340,161	8,733,024	7,482,213	6,950,833
16 Total Assets & Other Debits	\$13,058,004	\$13,316,698	\$13,498,500	\$13,652,829	\$14,243,187
CURRENT LIABILITIES					
17 Accounts Payable	\$154,425	\$108,691	\$146,086	\$367,624	1,221,368
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	227,203	264,288	168,328	192,312	22,800
24 Total Current Liabilities	381,628	372,979	314,414	559,936	1,244,168
LONG-TERM DEBT					
25 Long-Term Debt	45,666	111,849	315,529	504,479	679,981
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,561,665	1,630,991	1,550,511	1,142,937	964,861
28 Other Deferred Credits	1,032,510	1,185,324	1,338,328	1,491,675	1,623,459
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	805,275	809,698	802,403	792,106	789,564
31 Total Other Liab. and Def. Credits	3,399,450	3,626,013	3,691,242	3,426,718	3,377,884
STOCKHOLDER'S EQUITY					
32 Common Stock	110,000	110,000	110,000	110,000	110,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	9,121,260	9,095,856	9,067,315	9,051,696	8,831,155
36 Total Stockholder's Equity	9,231,260	9,205,856	9,177,315	9,161,696	8,941,155
37 Total Liab. and Stockholder's Equity	\$13,058,004	\$13,316,697	\$13,498,500	\$13,652,829	\$14,243,187

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$773,920	\$790,168	\$869,519	\$821,714	\$818,758	1
Network Access Services	2,630,272	2,817,384	2,427,266	2,538,140	2,615,096	2
Long Distance Network Services	1,546	2,142	2,338	2,402	2,838	3
Miscellaneous Revenues	233,874	263,691	279,347	302,552	368,707	4
Less: Uncollectible Revenues	3,770	2,599	4,999	4,802	34,288	5
Total Operating Revenues	3,635,841	3,870,786	3,573,471	3,660,006	3,771,111	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses		(2,586)	1,570	3,094	1,352	7
General Support Expenses	127,886	144,737	166,962	164,704	206,818	8
Central Office Switching	125,266	147,117	142,490	163,450	167,561	9
Operator Systems Expense						10
Central Office Transmission	150,339	131,023	82,015	63,127	121,664	11
Info. Origination/Termination	17,175	18,301	28,332	13,937	22,838	12
Cable & Wire Facilities	250,251	260,788	233,542	231,422	233,661	13
Total Plant Specific Operations	670,916	699,380	654,912	639,735	753,895	14
Other Plant, Property & Equipment	88	68	16,655	47,391	(42,454)	15
Network Operations	540,342	527,329	523,878	453,592	483,374	16
Access Expense	97,870	99,110	67,696	66,457	54,019	17
Depreciation and Amortization	839,021	839,283	791,281	641,075	732,581	18
Total Plant Non-Specific Operations	1,477,321	1,465,790	1,399,510	1,208,515	1,227,520	19
Marketing Expense	25,129	27,791	34,044	26,562	26,120	20
Services Expense	372,023	396,296	427,100	431,357	438,946	21
Total Customer Operations	397,151	424,087	461,144	457,918	465,066	22
Executive & Planning	239,918	241,978	216,519	167,894	206,292	23
General & Administrative	444,634	452,663	466,767	414,720	753,329	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	684,551	694,641	683,285	582,614	959,621	27
Total Operations Expense	3,229,940	3,283,898	3,198,852	2,888,782	3,406,101	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	249,718	244,549	217,647	207,138	190,287	31
Net Operating Income Before FIT	156,182	342,339	156,972	564,086	174,722	32
Investment Tax Credits - Net						33
Federal Income Taxes		1,485	(5,036)	(17,389)	(131,578)	34
Provision - Def. Operating Income Taxes - Net	53,290	101,803	77,570	219,278	190,824	35
Net Operating Income	\$102,892	\$239,051	\$84,437	\$362,197	\$115,476	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$102,892	\$239,051	\$84,437	\$362,197	\$115,476
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	3,811	1,676	3,081	11,001	111,779
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	34,697	(87,062)	67,004	9,897	17,792
44 Other Non-Operating Income			129		333,439
45 Special Charges	4,318	2,511	1,625	4,760	4,309
46 Total Non-Operating Income & Expenses	34,190	(87,897)	68,589	16,138	458,701
NON-OPERATING TAXES					
47 Federal Income Taxes	16,108	14,789	15,221	703	7,203
48 Other					
49 Total Non-Operating Taxes	16,108	14,789	15,221	703	7,203
50 Income Available Before Interest Charges	120,974	136,365	137,806	377,632	566,974
INTEREST CHARGES					
51 Interest on Funded Debt	4,104	16,351	31,174	44,709	57,443
52 Other Interest Expense	(47,134)	(47,128)	(47,587)	(26,217)	(19,131)
53 Total Interest Charges	(43,030)	(30,777)	(16,413)	18,492	38,312
54 Income Before Extraordinary & Nonreg Items	164,004	167,142	154,219	359,140	528,662
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$164,004	\$167,142	\$154,219	\$359,140	\$528,662

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$11,023,198	\$10,907,595	\$10,958,979	\$10,748,336	\$10,376,067
60 Transferred from Income	129,306	254,203	87,215	349,243	510,869
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	138,600	138,600	138,600	138,600	138,600
64 Adjustments					
65 Ending Year Balance	11,013,904	11,023,198	10,907,595	10,958,979	10,748,336
66 Appropriated/Undistr Affiliate Retained Earnings	(1,892,643)	(1,927,340)	(1,840,278)	(1,907,283)	(1,917,181)
67 Total Retained Earnings	\$9,121,261	\$9,095,858	\$9,067,315	\$9,051,696	\$8,831,155

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,588,800	\$2,723,499	\$1,732,959	\$1,908,693	\$1,394,860
2 Accounts Receivable (Net)	1,949,545	1,093,726	1,103,992	1,287,736	1,063,908
3 Current Deferred Income Taxes					
4 Other Current Assets	93,672	95,518	99,383	169,816	129,995
5 Total Current Assets	3,632,017	3,912,743	2,936,334	3,366,245	2,588,763
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	100	100	100	100	100
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	100	100	100	100	100
REGULATED PLANT					
13 Total Telecommunications Plant	23,378,420	22,686,779	23,605,651	23,745,094	23,814,334
14 Less: Accumulated Depr and Amort.	16,194,160	15,670,568	16,131,593	16,334,925	15,726,378
15 Net Regulated Plant	7,184,260	7,016,211	7,474,058	7,410,168	8,087,956
16 Total Assets & Other Debits	\$10,816,377	\$10,929,054	\$10,410,492	\$10,776,514	\$10,676,819
CURRENT LIABILITIES					
17 Accounts Payable	\$830,800	\$670,637	\$701,282	\$789,437	\$612,539
18 Notes Payable					
19 Advanced Billings	217,238	211,837	209,718	228,497	212,287
20 Customer Deposits					
21 Current Maturities - Long-Term Debt		262	6,072	14,846	17,475
22 Current Deferred Income Taxes	(13,015)	(18,917)	(12,082)	(30,422)	(13,774)
23 Other Current Liabilities	223,635	458,566	145,532	221,760	177,656
24 Total Current Liabilities	1,258,658	1,322,385	1,050,522	1,224,118	1,006,183
LONG-TERM DEBT					
25 Long-Term Debt			262	6,334	17,772
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,555,932	1,491,536	1,524,469	1,414,311	1,419,096
28 Other Deferred Credits	215,786	328,370	440,954	553,538	666,122
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	63,851	46,019	(16,412)	(20,391)	112,540
31 Total Other Liab. and Def. Credits	1,835,569	1,865,925	1,949,011	1,947,458	2,197,758
STOCKHOLDER'S EQUITY					
32 Common Stock	322,250	322,250	322,250	322,250	322,250
33 Preferred Stock					
34 Other Paid in Capital	522,340	544,711	578,183	579,159	493,662
35 Retained Earnings	6,877,560	6,873,783	6,510,264	6,697,195	6,639,194
36 Total Stockholder's Equity	7,722,150	7,740,744	7,410,697	7,598,604	7,455,106
37 Total Liab. and Stockholder's Equity	\$10,816,377	\$10,929,054	\$10,410,492	\$10,776,514	\$10,676,819

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,470,108	\$1,601,559	\$1,693,248	\$1,812,188	\$1,952,125	1
Network Access Services	2,428,784	2,388,274	2,180,745	2,721,622	2,803,728	2
Long Distance Network Services	8	97	60	(31)	457	3
Miscellaneous Revenues	1,805,828	1,724,439	1,662,878	1,522,422	1,390,939	4
Less: Uncollectible Revenues	6,773	45,060	35,235	59,953	34,765	5
Total Operating Revenues	5,697,955	5,669,309	5,501,696	5,996,248	6,112,484	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	13,376	11,853	12,249	27,958	22,135	7
General Support Expenses	295,594	296,273	303,678	263,894	38,739	8
Central Office Switching	78,625	122,830	146,809	164,018	174,033	9
Operator Systems Expense						10
Central Office Transmission	403,041	391,649	278,574	335,946	428,271	11
Info. Origination/Termination	276,086	439,094	437,409	327,525	374,206	12
Cable & Wire Facilities	634,039	734,799	610,748	499,072	512,439	13
Total Plant Specific Operations	1,700,761	1,996,498	1,789,467	1,618,413	1,549,823	14
Other Plant, Property & Equipment						15
Network Operations	719,608	561,754	555,926	721,275	694,889	16
Access Expense	129,011	118,831	176,874	166,842	164,301	17
Depreciation and Amortization	907,964	938,015	756,914	1,044,456	1,247,144	18
Total Plant Non-Specific Operations	1,756,583	1,618,600	1,489,714	1,932,573	2,106,334	19
Marketing Expense	426,503	365,362	360,065	372,459	378,139	20
Services Expense	314,174	299,562	335,555	475,083	513,692	21
Total Customer Operations	740,677	664,924	695,620	847,542	891,831	22
Executive & Planning	200,034	197,258	184,246	136,100	107,071	23
General & Administrative	1,182,603	1,003,883	992,932	929,949	972,475	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,382,637	1,201,141	1,177,178	1,066,049	1,079,546	27
Total Operations Expense	5,580,658	5,481,163	5,151,979	5,464,577	5,627,534	28
Other Operating Income & Expenses				3,482		29
State & Local Income Taxes	(271)	(474)	44			30
Other Taxes	177,352	194,492	195,720	195,708	260,476	31
Net Operating Income Before FIT	(59,784)	(5,872)	153,953	339,445	224,474	32
Investment Tax Credits - Net						33
Federal Income Taxes	(142,721)	(23,538)	(113,649)	149,824	94,748	34
Provision - Def. Operating Income Taxes - Net	82,189	(14,421)	130,299	(69,546)	(55,472)	35
Net Operating Income	\$748	\$32,087	\$137,303	\$259,167	\$185,198	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$748	\$32,087	\$137,303	\$259,167	\$185,198
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	9,099	10,204	10,444	4,569	34,362
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(100)	(559)	(1,370)	(1,940)	(715)
45 Special Charges	3,736	(496,657)	506,769	1,889	2,404
46 Total Non-Operating Income & Expenses	5,263	506,302	(497,695)	740	31,243
NON-OPERATING TAXES					
47 Federal Income Taxes	2,034	173,532	(174,189)	323	10,891
48 Other		987			
49 Total Non-Operating Taxes	2,034	174,519	(174,189)	323	10,891
50 Income Available Before Interest Charges	3,977	363,870	(186,203)	259,584	205,550
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	200	351	728	1,582	1,960
53 Total Interest Charges	200	351	728	1,582	1,960
54 Income Before Extraordinary & Nonreg Items	3,777	363,519	(186,931)	258,002	203,590
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$3,777	\$363,519	(\$186,931)	\$258,002	\$203,590
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,873,783	\$6,510,264	\$6,697,195	\$6,639,193	\$6,721,603
60 Transferred from Income	3,777	363,519	(186,931)	258,002	203,590
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				200,000	286,000
64 Adjustments					
65 Ending Year Balance	6,877,560	6,873,783	6,510,264	6,697,195	6,639,193
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$6,877,560	\$6,873,783	\$6,510,264	\$6,697,195	\$6,639,194

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$134,807	\$122,156	\$107,531	\$131,237	\$153,109
2 Accounts Receivable (Net)	572,613	701,910	640,204	190,699	314,173
3 Current Deferred Income Taxes	33,877	31,555	32,992	21,512	19,492
4 Other Current Assets	647,065	709,820	2,104,094	1,979,890	1,883,572
5 Total Current Assets	1,388,362	1,565,441	2,884,821	2,323,338	2,370,346
NON-CURRENT ASSETS					
6 Investments	4,279,819	3,990,167	3,633,024	3,299,010	2,978,339
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	874,380	860,635	836,001	812,801	807,840
11 Other Non-Current Assets	64,261	64,261	64,261	64,261	64,261
12 Total Non-Current Assets	5,218,460	4,915,063	4,533,286	4,176,072	3,850,440
REGULATED PLANT					
13 Total Telecommunications Plant	17,394,962	18,760,477	18,627,193	18,372,025	18,166,186
14 Less: Accumulated Depr and Amort.	14,490,084	15,381,995	15,075,916	14,747,133	14,147,299
15 Net Regulated Plant	2,904,878	3,378,482	3,551,277	3,624,892	4,018,887
16 Total Assets & Other Debits	\$9,511,700	\$9,858,986	\$10,969,384	\$10,124,302	\$10,239,673
CURRENT LIABILITIES					
17 Accounts Payable	\$341,333	\$446,144	\$253,779	\$141,148	\$312,934
18 Notes Payable	1,615,000	1,690,000	3,335,000	2,610,000	2,095,000
19 Advanced Billings	125,862	137,122	180,652	18,190	56,896
20 Customer Deposits	1,929	3,381	3,394	5,349	7,249
21 Current Maturities - Long-Term Debt	61,340	75,809	62,849	33,317	30,019
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,073,856	725,330	(28,257)	137,063	440,416
24 Total Current Liabilities	3,219,320	3,077,786	3,807,417	2,945,067	2,942,514
LONG-TERM DEBT					
25 Long-Term Debt	15,621	88,475	144,429	81,964	115,345
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	981,790	1,069,720	992,778	921,915	881,753
28 Other Deferred Credits	264,257	260,029	255,127	249,664	243,725
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	393,216	453,100	497,287	537,246	669,219
31 Total Other Liab. and Def. Credits	1,639,263	1,782,849	1,745,192	1,708,825	1,794,697
STOCKHOLDER'S EQUITY					
32 Common Stock	619,975	619,975	619,975	619,975	619,975
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	4,017,521	4,289,911	4,652,371	4,768,471	4,767,142
36 Total Stockholder's Equity	4,637,496	4,909,886	5,272,346	5,388,446	5,387,117
37 Total Liab. and Stockholder's Equity	\$9,511,700	\$9,858,986	\$10,969,384	\$10,124,302	\$10,239,673

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,836,771	\$1,926,831	\$1,962,382	\$2,030,312	\$2,042,005	1
Network Access Services	2,644,878	2,869,960	2,731,335	2,887,933	3,015,548	2
Long Distance Network Services	2	1,683	2,760	3,461	4,308	3
Miscellaneous Revenues	346,663	494,187	524,181	768,596	779,124	4
Less: Uncollectible Revenues	2,069	(4,602)	25,140	6,133	11,530	5
Total Operating Revenues	4,826,245	5,297,263	5,195,518	5,684,169	5,829,455	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	85,922	113,493	76,617	80,644	36,594	7
General Support Expenses	498,367	528,201	502,373	534,923	645,116	8
Central Office Switching	86,347	103,668	118,819	334,508	166,370	9
Operator Systems Expense						10
Central Office Transmission	204,639	183,378	139,895	72,660	304,099	11
Info. Origination/Termination						12
Cable & Wire Facilities	105,892	134,915	149,372	177,998	183,122	13
Total Plant Specific Operations	981,167	1,063,655	987,076	1,200,733	1,335,301	14
Other Plant, Property & Equipment	64,257	79,649	60,491	87,896	88,139	15
Network Operations	199,010	155,154	197,450	221,961	221,975	16
Access Expense	147,759	115,166	109,122	106,199	84,359	17
Depreciation and Amortization	689,100	701,377	669,988	709,013	775,534	18
Total Plant Non-Specific Operations	1,100,126	1,051,346	1,037,051	1,125,069	1,170,007	19
Marketing Expense	415,859	437,998	364,568	389,746	362,014	20
Services Expense	622,607	633,732	606,228	721,284	897,870	21
Total Customer Operations	1,038,466	1,071,730	970,796	1,111,030	1,259,884	22
Executive & Planning	1,038,752	1,186,588	1,319,746	1,197,820	1,784,607	23
General & Administrative	1,025,866	1,085,470	1,024,128	1,006,814	1,298,647	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,064,618	2,272,058	2,343,874	2,204,634	3,083,254	27
Total Operations Expense	5,184,377	5,458,789	5,338,797	5,641,466	6,848,446	28
Other Operating Income & Expenses	266	51	1,069	483	3,362	29
State & Local Income Taxes		1	(400)			30
Other Taxes	311,740	315,063	298,608	333,532	345,166	31
Net Operating Income Before FIT	(669,606)	(476,539)	(440,418)	(290,346)	(1,360,795)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(150,363)	(272,725)	(268,707)	(199,081)	(492,630)	34
Provision - Def. Operating Income Taxes - Net	(103,997)	53,745	36,183	33,182	(22,209)	35
Net Operating Income	(\$415,246)	(\$257,559)	(\$207,894)	(\$124,447)	(\$845,956)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$415,246)	(\$257,559)	(\$207,894)	(\$124,447)	(\$845,956)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income		1	1		
39 Interest Income		14	10,726	1	3,784
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction			(4)	(47)	6,443
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	283,956	301,555	367,093	176,484	198,933
44 Other Non-Operating Income				(4,036)	(4,341)
45 Special Charges	46,855	29,207	48,497	28,226	43,390
46 Total Non-Operating Income & Expenses	237,101	272,363	329,319	144,176	161,429
NON-OPERATING TAXES					
47 Federal Income Taxes		222,432			
48 Other					
49 Total Non-Operating Taxes		222,432			
50 Income Available Before Interest Charges	(178,145)	(207,628)	121,425	19,729	(684,527)
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	71,725	117,691	179,442	141,642	29,800
53 Total Interest Charges	71,725	117,691	179,442	141,642	29,800
54 Income Before Extraordinary & Nonreg Items	(249,870)	(325,319)	(58,017)	(121,913)	(714,327)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					(1,216,880)
56 Nonregulated Revenues	(22,520)	(37,141)	(58,083)	123,242	(41,935)
57 Total Extraordinary & Nonregulated Items	(22,520)	(37,141)	(58,083)	123,242	(1,258,815)
58 Net Income	(\$272,390)	(\$362,460)	(\$116,100)	\$1,329	(\$1,973,142)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$722,903)	(\$58,888)	\$424,305	\$599,460	\$337,775
60 Transferred from Income	(556,346)	(664,015)	(483,193)	(175,155)	261,685
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	(1,279,249)	(722,903)	(58,888)	424,305	599,460
66 Appropriated/Undistr Affiliate Retained Earnings	5,296,770	5,012,814	4,711,259	4,344,166	4,167,682
67 Total Retained Earnings	\$4,017,521	\$4,289,911	\$4,652,371	\$4,768,471	\$4,767,142

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,821,733	\$1,711,930	\$1,997,362	\$1,999,537	\$1,571,150
2 Accounts Receivable (Net)	277,504	261,878	285,193	410,473	425,032
3 Current Deferred Income Taxes					
4 Other Current Assets	46,274	60,341	64,004	57,245	45,726
5 Total Current Assets	2,145,511	2,034,149	2,346,559	2,467,255	2,041,908
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	70	70			
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	70	70			
REGULATED PLANT					
13 Total Telecommunications Plant	11,247,544	11,097,315	10,922,943	10,710,287	10,570,252
14 Less: Accumulated Depr and Amort.	9,378,473	8,913,303	8,392,538	7,884,519	7,473,450
15 Net Regulated Plant	1,869,071	2,184,012	2,530,405	2,825,768	3,096,802
16 Total Assets & Other Debits	\$4,014,652	\$4,218,231	\$4,876,964	\$5,293,023	\$5,138,710
CURRENT LIABILITIES					
17 Accounts Payable	\$254,375	\$234,243	\$243,126	\$274,271	\$173,436
18 Notes Payable					
19 Advanced Billings	20,397	18,765	17,999	17,505	16,399
20 Customer Deposits					
21 Current Maturities - Long-Term Debt			1,867	3,733	11,502
22 Current Deferred Income Taxes	(5,679)	(8,937)	(5,589)	(6,888)	(4,334)
23 Other Current Liabilities	35,907	95,626	40,160	76,957	36,719
24 Total Current Liabilities	305,000	339,697	297,563	365,578	233,722
LONG-TERM DEBT					
25 Long-Term Debt				1,867	5,601
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	284,010	304,423	352,945	360,544	401,893
28 Other Deferred Credits	2,033,372	1,997,121	1,964,017	1,917,805	1,834,309
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(23,179)	(20,513)	(27,450)	(24,551)	(2,575)
31 Total Other Liab. and Def. Credits	2,294,203	2,281,031	2,289,512	2,253,798	2,233,627
STOCKHOLDER'S EQUITY					
32 Common Stock	67,600	67,600	67,600	67,600	67,600
33 Preferred Stock					
34 Other Paid in Capital	38,908	38,311	44,107	44,979	27,316
35 Retained Earnings	1,308,941	1,491,592	2,178,182	2,559,201	2,570,844
36 Total Stockholder's Equity	1,415,449	1,597,503	2,289,889	2,671,780	2,665,760
37 Total Liab. and Stockholder's Equity	\$4,014,652	\$4,218,231	\$4,876,964	\$5,293,023	\$5,138,710

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$339,712	\$372,964	\$390,055	\$409,027	\$509,778	1
Network Access Services	1,051,588	1,123,058	1,107,515	1,280,242	1,253,271	2
Long Distance Network Services						3
Miscellaneous Revenues	765,131	661,950	691,660	572,091	566,500	4
Less: Uncollectible Revenues	16,342	7,953	15,544	3,445	14,192	5
Total Operating Revenues	2,140,089	2,150,019	2,173,686	2,257,915	2,315,357	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,593	5,015	5,765	3,462	8,375	7
General Support Expenses	115,526	109,486	120,036	113,062	46,324	8
Central Office Switching	72,940	80,433	90,347	113,672	93,055	9
Operator Systems Expense						10
Central Office Transmission	200,086	173,578	127,968	135,955	141,058	11
Info. Origination/Termination	54,299	110,175	96,940	87,999	98,969	12
Cable & Wire Facilities	410,837	307,452	318,905	226,534	228,647	13
Total Plant Specific Operations	858,281	786,139	759,961	680,684	616,428	14
Other Plant, Property & Equipment						15
Network Operations	220,050	183,230	185,094	182,560	215,758	16
Access Expense	33,699	31,914	51,607	41,889	53,732	17
Depreciation and Amortization	584,563	582,860	502,669	565,631	568,645	18
Total Plant Non-Specific Operations	838,312	798,004	739,370	790,080	838,135	19
Marketing Expense	104,130	89,156	90,960	95,588	100,589	20
Services Expense	96,892	86,996	103,739	137,353	150,485	21
Total Customer Operations	201,022	176,152	194,699	232,941	251,074	22
Executive & Planning	45,323	51,926	49,434	37,017	28,280	23
General & Administrative	271,949	266,453	272,541	262,767	265,324	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	317,272	318,379	321,975	299,784	293,604	27
Total Operations Expense	2,214,887	2,078,674	2,016,005	2,003,489	1,999,241	28
Other Operating Income & Expenses				1,322		29
State & Local Income Taxes						30
Other Taxes	145,019	168,313	167,758	174,037	194,684	31
Net Operating Income Before FIT	(219,817)	(96,968)	(10,077)	81,711	121,432	32
Investment Tax Credits - Net						33
Federal Income Taxes	(82,520)	(9,145)	(25,644)	44,265	12,069	34
Provision - Def. Operating Income Taxes - Net	(17,477)	(47,388)	(4,552)	(55,427)	12,329	35
Net Operating Income	(\$119,820)	(\$40,435)	\$20,119	\$92,873	\$97,034	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$119,820)	(\$40,435)	\$20,119	\$92,873	\$97,034
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	6,801	10,506	12,196	15,694	43,578
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					674,480
45 Special Charges	1,141	(275,380)	254,537	576	753
46 Total Non-Operating Income & Expenses	5,660	285,886	(242,341)	15,118	717,305
NON-OPERATING TAXES					
47 Federal Income Taxes	2,004	100,677	(84,836)	5,244	240,799
48 Other					28,834
49 Total Non-Operating Taxes	2,004	100,677	(84,836)	5,244	269,633
50 Income Available Before Interest Charges	(116,164)	144,774	(137,386)	102,747	544,706
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	66,487	63,364	76,633	114,390	52,990
53 Total Interest Charges	66,487	63,364	76,633	114,390	52,990
54 Income Before Extraordinary & Nonreg Items	(182,651)	81,410	(214,019)	(11,643)	491,716
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$182,651)	\$81,410	(\$214,019)	(\$11,643)	\$491,716
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,491,592	\$2,178,182	\$2,559,201	\$2,570,844	\$2,336,128
60 Transferred from Income	(182,651)	81,410	(214,019)	(11,643)	491,716
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		768,000	167,000		257,000
64 Adjustments					
65 Ending Year Balance	1,308,941	1,491,592	2,178,182	2,559,201	2,570,844
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,308,941	\$1,491,592	\$2,178,182	\$2,559,201	\$2,570,844

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$836,695	\$1,486,935	\$998,645	\$679,146	\$555,571
2 Accounts Receivable (Net)	1,143,824	1,303,305	1,177,314	1,360,129	2,081,281
3 Current Deferred Income Taxes	29,703	39,064	34,773	38,310	54,328
4 Other Current Assets	605,589	506,313	582,947	704,693	586,951
5 Total Current Assets	2,615,811	3,335,617	2,793,679	2,782,278	3,278,131
NON-CURRENT ASSETS					
6 Investments	10,088,539	9,051,184	8,655,793	7,837,697	7,938,646
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	26,260	1,121	(7,364)	(4,396)	(17,153)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	321,116	412,131	466,396	512,550	520,326
11 Other Non-Current Assets	1,442,774	1,403,173	1,363,120	1,322,776	1,280,429
12 Total Non-Current Assets	11,878,689	10,867,609	10,477,945	9,668,627	9,722,248
REGULATED PLANT					
13 Total Telecommunications Plant	33,438,514	32,939,029	32,677,931	32,300,286	31,674,672
14 Less: Accumulated Depr and Amort.	21,285,144	20,567,904	19,704,497	18,897,880	17,927,835
15 Net Regulated Plant	12,153,370	12,371,125	12,973,434	13,402,406	13,746,837
16 Total Assets & Other Debits	\$26,647,870	\$26,574,351	\$26,245,058	\$25,853,311	\$26,747,216
CURRENT LIABILITIES					
17 Accounts Payable	\$184,522	\$223,665	154,828	\$157,141	\$839,273
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits					1,645
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(188,672)	119,757	(236,721)	(549,908)	(415,984)
24 Total Current Liabilities	(4,150)	343,422	(81,893)	(392,767)	424,934
LONG-TERM DEBT					
25 Long-Term Debt	338,074	223,717	172,691	185,819	304,133
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,787,941	2,752,250	2,921,933	2,968,661	2,704,876
28 Other Deferred Credits	902,831	1,137,856	1,981,148	2,189,406	2,308,964
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	41,627	74,295			
31 Total Other Liab. and Def. Credits	3,732,399	3,964,401	4,903,081	5,158,067	5,013,840
STOCKHOLDER'S EQUITY					
32 Common Stock	587,737	587,737	587,737	587,737	587,737
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	21,993,810	21,455,074	20,663,442	20,314,455	20,416,572
36 Total Stockholder's Equity	22,581,547	22,042,811	21,251,179	20,902,192	21,004,309
37 Total Liab. and Stockholder's Equity	\$26,647,870	\$26,574,351	\$26,245,058	\$25,853,311	\$26,747,216

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,141,687	\$1,125,445	\$1,121,356	\$1,152,545	\$1,177,954	1
Network Access Services	2,625,325	3,164,522	2,771,743	3,009,872	3,357,621	2
Long Distance Network Services	4,683	5,656	7,090	8,408	9,557	3
Miscellaneous Revenues	538,480	551,848	556,121	579,719	462,171	4
Less: Uncollectible Revenues	4,820	1,000		4,000	4,000	5
Total Operating Revenues	4,305,355	4,846,471	4,456,310	4,746,544	5,003,303	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	40,624	45,760	46,107	37,606	56,049	7
General Support Expenses	271,217	243,795	272,018	240,911	291,669	8
Central Office Switching	358,299	472,278	424,809	540,351	700,792	9
Operator Systems Expense						10
Central Office Transmission	18,210	58,770	47,927	65,540	65,452	11
Info. Origination/Termination	1,053	(478)	1,260	74	139	12
Cable & Wire Facilities	505,182	506,594	500,207	466,960	539,576	13
Total Plant Specific Operations	1,194,585	1,326,719	1,292,328	1,351,442	1,653,677	14
Other Plant, Property & Equipment		1,290	14,904	9		15
Network Operations	573,379	647,945	658,754	595,989	619,954	16
Access Expense	117,495	105,503	108,754	92,968	73,958	17
Depreciation and Amortization	1,146,120	1,143,797	1,244,591	1,209,136	1,176,522	18
Total Plant Non-Specific Operations	1,836,994	1,898,535	2,027,003	1,898,102	1,870,434	19
Marketing Expense	21,456	15,951	8,776	11,530	15,199	20
Services Expense	319,679	376,865	406,778	444,959	475,005	21
Total Customer Operations	341,135	392,816	415,554	456,489	490,204	22
Executive & Planning	245,437	408,102	256,005	230,195	302,313	23
General & Administrative	430,930	589,154	463,495	548,230	582,951	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	676,367	997,256	719,500	778,425	885,264	27
Total Operations Expense	4,049,081	4,615,326	4,454,385	4,484,458	4,899,579	28
Other Operating Income & Expenses			404	800	919	29
State & Local Income Taxes	113,358	97,431	143,432	102,328	113,252	30
Other Taxes	185,524	261,271	295,208	300,975	282,112	31
Net Operating Income Before FIT	(42,608)	(127,557)	(436,311)	(140,417)	(290,721)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(86,952)	(223,883)	(300,655)	(245,552)	(375,104)	34
Provision - Def. Operating Income Taxes - Net	62,814	172,872	51,466	79,622	154,964	35
Net Operating Income	(\$18,470)	(\$76,546)	(\$187,122)	\$25,513	(\$70,581)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$18,470)	(\$76,546)	(\$187,122)	\$25,513	(\$70,581)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	57,639	50,175	191,894	1,205	1,140
39 Interest Income	14,608	6,993	230	157	19,814
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	391,755	297,956	32,423	(289,206)	(160,129)
44 Other Non-Operating Income	(36,508)	788,775	915,751	14,814	138,459
45 Special Charges	12,893	13,080	17,980	3,313	54,521
46 Total Non-Operating Income & Expenses	414,601	1,130,819	1,122,318	(276,343)	(55,237)
NON-OPERATING TAXES					
47 Federal Income Taxes	(5,092)	259,246	322,365	3,232	51,409
48 Other		24,734			
49 Total Non-Operating Taxes	(5,092)	283,980	322,365	3,232	51,409
50 Income Available Before Interest Charges	401,223	770,293	612,831	(254,062)	(177,227)
INTEREST CHARGES					
51 Interest on Funded Debt	1,673	9,346	11,100	15,077	22,968
52 Other Interest Expense	3,011	10,758	17,830	48,967	48,040
53 Total Interest Charges	4,684	20,104	28,930	64,044	71,008
54 Income Before Extraordinary & Nonreg Items	396,539	750,189	583,901	(318,106)	(248,235)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$396,539	\$750,189	\$583,901	(\$318,106)	(\$248,235)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$20,214,887	19,153,261	\$18,601,784	\$18,630,684	\$18,718,790
60 Transferred from Income	4,784	452,233	551,477	(28,900)	(88,106)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments		609,393			
65 Ending Year Balance	20,219,671	20,214,887	19,153,261	18,601,784	18,630,684
66 Appropriated/Undistr Affiliate Retained Earnings	1,774,139	1,240,187	1,510,181	1,712,671	1,785,888
67 Total Retained Earnings	\$21,993,810	\$21,455,074	\$20,663,442	\$20,314,455	\$20,416,572

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$222,223	\$239,986	\$145,793	\$125,716	\$102,237
2 Accounts Receivable (Net)	127,020	125,076	162,865	166,860	140,506
3 Current Deferred Income Taxes					
4 Other Current Assets	36,013	46,958	67,066	68,452	72,812
5 Total Current Assets	385,256	412,020	375,724	361,028	315,555
NON-CURRENT ASSETS					
6 Investments	530,440	449,681	488,600	465,049	516,137
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	530,440	449,681	488,600	465,049	516,137
REGULATED PLANT					
13 Total Telecommunications Plant	2,544,911	2,509,209	2,498,274	2,445,089	2,380,159
14 Less: Accumulated Depr and Amort.	1,723,490	1,642,407	1,556,090	1,451,918	1,345,351
15 Net Regulated Plant	821,421	866,802	942,184	993,171	1,034,808
16 Total Assets & Other Debits	\$1,737,117	\$1,728,503	\$1,806,508	\$1,819,248	\$1,866,500
CURRENT LIABILITIES					
17 Accounts Payable	\$43,432	\$43,207	\$53,529	\$73,946	\$85,060
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits	1,224	1,173	2,051	1,550	1,350
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	26,553	30,005	22,745	22,174	29,778
24 Total Current Liabilities	71,209	74,385	78,325	97,670	116,188
LONG-TERM DEBT					
25 Long-Term Debt	18,569	46,840	57,249	78,299	97,276
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	70,277	64,330	82,362	68,657	70,873
28 Other Deferred Credits	46,638	46,374	45,948		
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	116,915	110,704	128,310	68,657	70,873
STOCKHOLDER'S EQUITY					
32 Common Stock	78,518	78,518	78,518	78,518	78,518
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,451,906	1,418,056	1,464,106	1,496,104	1,503,645
36 Total Stockholder's Equity	1,530,424	1,496,574	1,542,624	1,574,622	1,582,163
37 Total Liab. and Stockholder's Equity	\$1,737,117	\$1,728,503	\$1,806,508	\$1,819,248	\$1,866,500

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$296,291	\$311,737	\$353,418	\$300,397	\$288,818	1
Network Access Services	498,111	510,952	468,244	516,714	488,414	2
Long Distance Network Services						3
Miscellaneous Revenues	423,242	536,888	659,933	706,505	683,804	4
Less: Uncollectible Revenues	(1,629)					5
Total Operating Revenues	1,219,273	1,359,577	1,481,595	1,523,616	1,461,036	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	1,272		1,756			7
General Support Expenses	174,462	174,978	195,799	174,037	148,878	8
Central Office Switching	125,959	81,307	68,578	73,562	108,833	9
Operator Systems Expense						10
Central Office Transmission	34,322	32,145	32,145	31,514	27,377	11
Info. Origination/Termination						12
Cable & Wire Facilities	143,650	170,332	174,448	133,195	155,424	13
Total Plant Specific Operations	479,665	458,762	472,726	412,308	440,512	14
Other Plant, Property & Equipment	2,067	1,362	10,063	1,050	884	15
Network Operations	96,195	113,341	112,448	117,753	124,818	16
Access Expense	21,664					17
Depreciation and Amortization	99,393	123,647	124,197	125,686	123,775	18
Total Plant Non-Specific Operations	219,319	238,350	246,708	244,489	249,477	19
Marketing Expense						20
Services Expense	23,048	25,494	26,900	28,741	32,732	21
Total Customer Operations	23,048	25,494	26,900	28,741	32,732	22
Executive & Planning	45,442	50,712	50,712	50,712	54,348	23
General & Administrative	361,713	591,040	642,214	707,344	608,300	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	407,155	641,752	692,926	758,056	662,648	27
Total Operations Expense	1,129,187	1,364,358	1,439,260	1,443,594	1,385,369	28
Other Operating Income & Expenses						29
State & Local Income Taxes	45,460	52,180	54,730	60,204	55,849	30
Other Taxes						31
Net Operating Income Before FIT	44,626	(56,961)	(12,395)	19,818	19,818	32
Investment Tax Credits - Net						33
Federal Income Taxes						34
Provision - Def. Operating Income Taxes - Net	5,947	(18,032)	13,705	(2,216)	(4,734)	35
Net Operating Income	\$38,679	(\$38,929)	(\$26,100)	\$22,034	\$24,552	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$38,679	(\$38,929)	(\$26,100)	\$22,034	\$24,552
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	2,258	3,478	6,980	10,788	14,369
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					(2,678)
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges		1,905	3,025	26,069	
46 Total Non-Operating Income & Expenses	2,258	1,573	3,955	(15,281)	11,691
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	40,937	(37,356)	(22,145)	6,753	36,243
INTEREST CHARGES					
51 Interest on Funded Debt	7,088	8,694	9,853	13,933	17,566
52 Other Interest Expense				361	
53 Total Interest Charges	7,088	8,694	9,853	14,294	17,566
54 Income Before Extraordinary & Nonreg Items	33,849	(46,050)	(31,998)	(7,541)	18,677
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$33,849	(\$46,050)	(\$31,998)	(\$7,541)	\$18,677
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,418,056	\$1,464,106	\$1,496,104	\$1,503,645	\$1,484,968
60 Transferred from Income	33,849	(46,050)	(31,998)	(7,541)	18,677
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,451,905	1,418,056	1,464,106	1,496,104	1,503,645
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,451,905	\$1,418,056	\$1,464,106	\$1,496,104	\$1,503,645

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments			(\$1,355)	(\$2,592)	(\$82,606)
2 Accounts Receivable (Net)	\$1,363,452	\$1,203,391	1,097,639	1,221,450	2,137,725
3 Current Deferred Income Taxes					
4 Other Current Assets	65,095	71,079	60,007	61,762	97,439
5 Total Current Assets	1,428,547	1,274,470	1,156,292	1,280,621	2,152,558
NON-CURRENT ASSETS					
6 Investments	10,153,481	7,838,601	8,312,925	8,910,967	6,398,431
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	525,000	525,000	525,000	525,000	525,000
12 Total Non-Current Assets	10,678,481	8,363,601	8,837,925	9,435,967	6,923,431
REGULATED PLANT					
13 Total Telecommunications Plant	24,094,981	23,814,639	23,619,070	23,330,593	22,962,240
14 Less: Accumulated Depr and Amort.	20,575,182	19,782,078	19,015,684	18,077,451	17,116,168
15 Net Regulated Plant	3,519,799	4,032,561	4,603,386	5,253,142	5,846,072
16 Total Assets & Other Debits	\$15,626,827	\$13,670,632	\$14,597,602	\$15,969,731	\$14,922,061
CURRENT LIABILITIES					
17 Accounts Payable	\$2,389,768	\$1,035,402	466,521	\$454,128	\$517,959
18 Notes Payable					
19 Advanced Billings	125,438	129,753	126,548	127,118	141,140
20 Customer Deposits			105	100	
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	33,638	48,233	98,451	83,819	30,138
24 Total Current Liabilities	2,548,844	1,213,388	691,626	665,166	689,238
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	(664,626)	(481,614)	(298,602)	(115,590)	(98,866)
28 Other Deferred Credits	338,092	297,432	291,569	290,359	282,033
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	421,739	602,733	821,272	903,846	888,554
31 Total Other Liab. and Def. Credits	95,205	418,551	814,240	1,078,615	1,071,721
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	4,725,630	4,725,630	4,725,630	4,725,630	4,725,630
35 Retained Earnings	8,257,147	7,313,063	8,366,106	9,500,320	8,435,472
36 Total Stockholder's Equity	12,982,777	12,038,693	13,091,736	14,225,950	13,161,102
37 Total Liab. and Stockholder's Equity	\$15,626,827	\$13,670,632	\$14,597,602	\$15,969,731	\$14,922,061

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,634,861	\$1,706,942	\$1,719,244	\$1,797,324	\$1,850,394	1
Network Access Services	1,963,305	2,059,723	2,014,025	2,077,997	2,367,082	2
Long Distance Network Services	442	(1,761)	(1,726)	11,466	25,455	3
Miscellaneous Revenues	1,278,189	1,352,299	1,423,183	1,381,066	1,331,619	4
Less: Uncollectible Revenues	83,566	87,385	68,150	121,387	72,232	5
Total Operating Revenues	4,793,231	5,029,818	5,086,576	5,146,466	5,502,318	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(284)	39	6,336	7	75	7
General Support Expenses	234,513	307,621	268,961	264,681	271,197	8
Central Office Switching	158,569	158,837	198,828	228,019	218,201	9
Operator Systems Expense	411	3,251	3,738	2,719	1,866	10
Central Office Transmission	37,501	42,826	49,776	63,127	49,663	11
Info. Origination/Termination	81,833	105,782	62,688	109,414	73,375	12
Cable & Wire Facilities	395,256	409,351	439,139	508,933	545,400	13
Total Plant Specific Operations	907,798	1,027,707	1,029,465	1,176,899	1,159,778	14
Other Plant, Property & Equipment	(390)	12	876	690	892	15
Network Operations	289,862	268,218	272,959	261,800	274,612	16
Access Expense	340,711	350,294	320,753	308,299	318,789	17
Depreciation and Amortization	888,346	914,376	968,428	948,490	928,253	18
Total Plant Non-Specific Operations	1,518,529	1,532,900	1,563,017	1,519,280	1,522,545	19
Marketing Expense	158,865	154,710	156,998	132,235	113,728	20
Services Expense	283,337	342,523	276,892	254,378	211,978	21
Total Customer Operations	442,203	497,233	433,890	386,613	325,706	22
Executive & Planning	42,093	60,178	100,023	54,236	38,452	23
General & Administrative	211,397	373,933	458,036	257,727	248,114	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	253,490	434,111	558,059	311,963	286,567	27
Total Operations Expense	3,122,020	3,491,951	3,584,431	3,394,756	3,294,596	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	207,536	117,468	196,948	306,190	314,869	31
Net Operating Income Before FIT	1,463,675	1,420,399	1,305,197	1,445,520	1,892,853	32
Investment Tax Credits - Net						33
Federal Income Taxes	(35,497)	29,957	(12,072)	526,511	845,504	34
Provision - Def. Operating Income Taxes - Net	344,421	268,135	236,404	(20,109)	(183,006)	35
Net Operating Income	\$1,154,751	\$1,122,307	\$1,080,865	\$939,118	\$1,230,355	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$1,154,751	\$1,122,307	\$1,080,865	\$939,118	\$1,230,355
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				229,443	608,374
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	(1)	5,813	1,336	4,753	4,156
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	705				1,937,030
45 Special Charges	460	(648)	1,436	(672)	(423)
46 Total Non-Operating Income & Expenses	245	6,461	(100)	234,868	2,549,983
NON-OPERATING TAXES					
47 Federal Income Taxes	201,849	173,340	203,690	98,229	937,085
48 Other					
49 Total Non-Operating Taxes	201,849	173,340	203,690	98,229	937,085
50 Income Available Before Interest Charges	953,147	955,428	877,075	1,075,757	2,843,253
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	9,063	8,494	11,291	10,909	(98,400)
53 Total Interest Charges	9,063	8,494	11,291	10,909	(98,400)
54 Income Before Extraordinary & Nonreg Items	944,084	946,934	865,784	1,064,848	2,941,653
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$944,084	\$946,934	\$865,784	\$1,064,848	\$2,941,653
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$7,313,063	\$8,366,106	\$9,500,320	\$8,435,472	\$7,493,820
60 Transferred from Income	944,084	946,957	865,786	1,064,848	2,941,653
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					2,000,000
63 Common Stock		2,000,000	2,000,000		
64 Adjustments					
65 Ending Year Balance	8,257,148	7,313,063	8,366,106	9,500,320	8,435,472
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$8,257,148	\$7,313,063	\$8,366,106	\$9,500,320	\$8,435,472

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$3,348	(\$657)	(\$13,197)	\$42,019	\$40,820
2 Accounts Receivable (Net)	10,771,637	15,633,055	9,372,332	10,941,995	11,210,419
3 Current Deferred Income Taxes					
4 Other Current Assets	631,986	645,072	594,823	622,476	860,125
5 Total Current Assets	11,406,972	16,277,470	9,953,957	11,606,490	12,111,363
NON-CURRENT ASSETS					
6 Investments	100,767,818	66,092,807	125,595,433	106,161,146	88,715,698
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	2,717,664	2,717,664	2,717,664	2,719,467	2,717,664
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	6,190,000	6,190,000	6,190,000	6,190,000	6,190,000
12 Total Non-Current Assets	109,675,482	75,000,471	134,503,097	115,070,613	97,623,363
REGULATED PLANT					
13 Total Telecommunications Plant	191,786,136	190,242,799	189,200,097	187,292,929	185,748,087
14 Less: Accumulated Depr and Amort.	158,357,410	154,551,770	149,736,658	143,352,260	135,760,968
15 Net Regulated Plant	33,428,726	35,691,029	39,463,439	43,940,669	49,987,119
16 Total Assets & Other Debits	\$154,511,179	\$126,968,971	\$183,920,494	\$170,617,772	\$159,721,845
CURRENT LIABILITIES					
17 Accounts Payable	\$32,370,940	\$17,022,883	\$4,481,370	\$3,450,046	6,138,329
18 Notes Payable					
19 Advanced Billings	687,314	742,377	905,617	909,059	1,048,300
20 Customer Deposits	(105)	(374)	(318)	283	(2)
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	287,262	(580,940)	(16,203)	796,426	113,613
24 Total Current Liabilities	33,345,410	17,183,947	5,370,466	5,155,815	7,300,239
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	4,882,803	4,680,015	4,477,227	4,274,439	3,574,166
28 Other Deferred Credits	4,580,035	4,425,510	4,284,610	4,117,272	3,974,376
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	16,450,218	16,372,687	16,748,846	17,407,931	17,292,064
31 Total Other Liab. and Def. Credits	25,913,056	25,478,212	25,510,682	25,799,642	24,840,606
STOCKHOLDER'S EQUITY					
32 Common Stock	2,280,411	2,280,411	2,280,411	2,280,411	2,280,411
33 Preferred Stock					
34 Other Paid in Capital	63,236,046	63,236,046	63,236,046	63,236,046	63,236,046
35 Retained Earnings	29,736,257	18,790,360	87,522,889	74,145,858	62,064,543
36 Total Stockholder's Equity	95,252,713	84,306,817	153,039,346	139,662,315	127,581,000
37 Total Liab. and Stockholder's Equity	\$154,511,179	\$126,968,976	\$183,920,494	\$170,617,772	\$159,721,845

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$11,868,584	\$13,152,631	\$14,439,306	\$15,933,339	\$16,692,408	1
Network Access Services	19,968,814	21,095,763	20,685,364	20,972,860	21,761,428	2
Long Distance Network Services	(17,544)	(12,270)	(21,570)	28,538	135,821	3
Miscellaneous Revenues	12,842,235	14,047,211	16,190,170	17,766,130	20,090,261	4
Less: Uncollectible Revenues	146,905	346,367	279,995	75,376	775,732	5
Total Operating Revenues	44,515,184	47,936,969	51,013,275	54,625,491	57,904,186	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	11,896	375	51,862	503	732	7
General Support Expenses	1,528,160	2,168,536	1,925,032	1,893,226	2,072,980	8
Central Office Switching	482,947	501,923	524,725	725,089	887,020	9
Operator Systems Expense	3,205	23,234	27,868	21,460	16,238	10
Central Office Transmission	784,643	675,801	471,979	571,810	676,063	11
Info. Origination/Termination	1,438,483	2,282,657	1,710,673	1,976,473	2,276,987	12
Cable & Wire Facilities	1,767,841	2,402,142	1,461,401	1,845,019	2,294,535	13
Total Plant Specific Operations	6,017,175	8,054,668	6,173,541	7,033,580	8,224,556	14
Other Plant, Property & Equipment	10,809	(117)	20	672	1,334	15
Network Operations	2,371,830	2,090,982	2,129,347	2,314,743	2,496,889	16
Access Expense	2,313,047	2,205,981	2,054,120	2,282,705	2,517,607	17
Depreciation and Amortization	5,085,294	5,860,484	7,167,252	8,434,498	9,802,045	18
Total Plant Non-Specific Operations	9,780,981	10,157,330	11,350,739	13,032,618	14,817,875	19
Marketing Expense	1,387,366	1,302,107	1,322,470	1,250,163	1,055,201	20
Services Expense	4,150,202	4,050,420	3,700,196	4,105,766	4,283,147	21
Total Customer Operations	5,537,567	5,352,528	5,022,666	5,355,929	5,338,348	22
Executive & Planning	356,343	534,517	871,880	489,808	374,011	23
General & Administrative	1,883,693	3,184,805	3,856,858	2,310,556	2,400,990	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,240,036	3,719,321	4,728,738	2,800,364	2,775,001	27
Total Operations Expense	26,814,284	27,283,846	27,275,684	28,222,491	31,155,780	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	2,768,920	2,358,571	2,288,810	3,230,911	3,633,873	31
Net Operating Income Before FIT	14,931,980	18,294,552	21,448,781	23,172,089	23,114,533	32
Investment Tax Credits - Net						33
Federal Income Taxes	(4,752,378)	(3,504,737)	(3,457,593)	7,562,971	7,887,302	34
Provision - Def. Operating Income Taxes - Net	9,978,571	8,767,234	9,269,606	593,390	202,785	35
Net Operating Income	\$9,705,787	\$13,032,055	\$15,636,768	\$15,015,728	\$15,024,446	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$9,705,787	\$13,032,055	\$15,636,768	\$15,015,728	\$15,024,446
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				2,836,884	7,868,570
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	(3)	20,531	11,625	27,709	42,457
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	206,597	183,285	162,414	131,797	107,651
45 Special Charges	369,930	334,248	334,011	282,373	261,450
46 Total Non-Operating Income & Expenses	(163,337)	(130,432)	(159,972)	2,714,017	7,757,228
NON-OPERATING TAXES					
47 Federal Income Taxes	601,971	520,357	1,096,165	746,609	2,520,800
48 Other					
49 Total Non-Operating Taxes	601,971	520,357	1,096,165	746,609	2,520,800
50 Income Available Before Interest Charges	8,940,479	12,381,266	14,380,631	16,983,136	20,260,874
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	1,233,108	1,113,793	1,003,600	901,821	807,834
53 Total Interest Charges	1,233,108	1,113,793	1,003,600	901,821	807,834
54 Income Before Extraordinary & Nonreg Items	7,707,371	11,267,473	13,377,031	16,081,315	19,453,040
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	3,238,525	2,590,351			
57 Total Extraordinary & Nonregulated Items	3,238,525	2,590,351			
58 Net Income	\$10,945,895	\$13,857,823	\$13,377,031	\$16,081,315	\$19,453,040
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$18,790,360	\$87,522,889	\$74,145,858	\$62,064,543	\$70,611,502
60 Transferred from Income	10,945,896	11,267,473	13,377,031	16,081,315	19,453,040
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		40,000,000		4,000,000	28,000,000
64 Adjustments		(40,000,002)			
65 Ending Year Balance	29,736,256	18,790,360	87,522,889	74,145,858	62,064,543
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$29,736,256	\$18,790,360	\$87,522,889	\$74,145,858	\$62,064,543

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,508,605	\$383,059	\$1,764,009	\$1,171,639	\$317,386
2 Accounts Receivable (Net)	79,573,509	67,808,904	60,394,934	109,074,814	70,031,390
3 Current Deferred Income Taxes					
4 Other Current Assets	7,765,741	6,983,357	6,745,070	7,355,366	13,265,776
5 Total Current Assets	88,847,854	75,175,320	68,904,013	117,601,818	83,614,552
NON-CURRENT ASSETS					
6 Investments	509,861,999	308,127,834	319,186,085	209,437,779	155,233,271
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	15,311	15,311	16,135	16,135	271,917
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	183,900,250	184,065,250	184,230,250	184,395,250	184,560,250
12 Total Non-Current Assets	693,777,560	492,208,395	503,432,470	393,849,164	340,065,438
REGULATED PLANT					
13 Total Telecommunications Plant	1,522,264,544	1,510,242,331	1,495,378,697	1,477,756,362	1,463,135,558
14 Less: Accumulated Depr and Amort.	1,232,107,015	1,184,241,424	1,124,224,180	1,062,397,661	1,003,489,506
15 Net Regulated Plant	290,157,529	326,000,907	371,154,517	415,358,701	459,646,052
16 Total Assets & Other Debits	\$1,072,782,943	\$893,384,622	\$943,491,000	\$926,809,683	\$883,326,042
CURRENT LIABILITIES					
17 Accounts Payable	\$252,370,362	\$86,352,136	\$42,972,696	\$41,495,735	\$41,126,023
18 Notes Payable					
19 Advanced Billings	3,379,831	3,432,778	3,632,275	3,647,685	3,427,071
20 Customer Deposits	59,097	2,410	470	167	10,696
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(641,873)	2,418,074	3,995,711	5,406,199	8,117,022
24 Total Current Liabilities	255,167,418	92,205,398	50,601,153	50,549,785	52,680,812
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	68,248,975	66,974,467	65,699,959	64,425,451	57,456,924
28 Other Deferred Credits	(26,636,202)	(24,317,882)	(21,906,258)	(19,933,084)	(18,484,872)
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	154,406,233	143,629,205	133,885,556	125,522,428	117,772,442
31 Total Other Liab. and Def. Credits	196,019,006	186,285,791	177,679,258	170,014,795	156,744,494
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	451,236,610	451,236,610	451,236,610	451,236,610	451,236,610
35 Retained Earnings	170,359,909	163,656,825	263,973,979	255,008,493	222,664,126
36 Total Stockholder's Equity	621,596,519	614,893,435	715,210,589	706,245,103	673,900,736
37 Total Liab. and Stockholder's Equity	\$1,072,782,943	\$893,384,624	\$943,491,000	\$926,809,683	\$883,326,042

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$82,620,312	\$90,534,985	\$103,014,656	\$120,484,077	\$140,123,177	1
Network Access Services	94,980,495	97,597,486	97,861,876	94,381,432	81,363,743	2
Long Distance Network Services	242,153	312,902	389,165	1,226,548	1,887,000	3
Miscellaneous Revenues	61,319,369	60,564,701	66,237,004	76,047,683	81,982,154	4
Less: Uncollectible Revenues	1,957,788	2,669,899	3,710,937	4,854,247	3,672,497	5
Total Operating Revenues	237,204,541	246,340,175	263,791,764	287,285,493	301,683,576	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	519,375	653,729	889,101	898,789	278,027	7
General Support Expenses	10,977,471	14,317,387	12,675,071	11,370,039	14,383,701	8
Central Office Switching	6,224,739	6,651,373	5,690,219	6,010,448	7,208,399	9
Operator Systems Expense	54,908	183,889	180,758	136,768	140,762	10
Central Office Transmission	3,262,063	3,585,205	4,748,476	4,844,024	4,397,632	11
Info. Origination/Termination	5,026,680	5,842,199	4,382,540	6,392,939	5,163,107	12
Cable & Wire Facilities	22,912,664	23,218,008	24,646,746	23,981,234	25,617,616	13
Total Plant Specific Operations	48,977,899	54,451,790	53,212,911	53,634,240	57,189,244	14
Other Plant, Property & Equipment	204,144	(944)	(918)	224,100	7,693	15
Network Operations	17,369,991	16,573,258	15,277,841	14,001,775	21,152,056	16
Access Expense	6,222,924	5,403,621	5,351,137	5,497,275	5,874,711	17
Depreciation and Amortization	59,629,909	68,827,514	69,199,706	69,960,582	68,643,556	18
Total Plant Non-Specific Operations	83,426,968	90,803,449	89,827,766	89,683,733	95,678,016	19
Marketing Expense	11,001,223	11,522,853	10,452,812	9,594,650	8,370,341	20
Services Expense	27,172,238	30,775,124	30,164,026	30,784,728	32,216,833	21
Total Customer Operations	38,173,461	42,297,977	40,616,838	40,379,378	40,587,174	22
Executive & Planning	1,842,181	2,898,392	4,513,193	2,700,736	2,449,774	23
General & Administrative	28,040,636	34,112,679	36,299,311	26,865,708	17,755,135	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	29,882,818	37,011,071	40,812,504	29,566,444	20,204,909	27
Total Operations Expense	200,461,145	224,564,287	224,470,019	213,263,795	213,659,343	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	18,690,539	16,490,634	20,275,136	21,085,940	20,683,254	31
Net Operating Income Before FIT	18,052,857	5,285,254	19,046,609	52,935,757	67,340,979	32
Investment Tax Credits - Net						33
Federal Income Taxes	(9,209,058)	(15,754,871)	(21,583,707)	4,319,277	26,798,339	34
Provision - Def. Operating Income Taxes - Net	8,048,694	11,304,142	21,571,000	6,737,964	1,274,506	35
Net Operating Income	\$19,213,221	\$9,735,983	\$19,059,316	\$41,878,516	\$39,268,134	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$19,213,221	\$9,735,983	\$19,059,316	\$41,878,516	\$39,268,134
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income				5,146,604	15,862,681
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	89,131	315,569	198,987	193,102	434,968
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	2,513,064	2,266,004	1,958,618	1,270,293	1,957,067
45 Special Charges	49,018	21,765	49,430	257,249	272,320
46 Total Non-Operating Income & Expenses	2,553,177	2,559,808	2,108,175	6,352,750	17,982,396
NON-OPERATING TAXES					
47 Federal Income Taxes	4,080,161	2,642,560	3,147,442	7,683,653	
48 Other					
49 Total Non-Operating Taxes	4,080,161	2,642,560	3,147,442	7,683,653	
50 Income Available Before Interest Charges	17,686,237	9,653,231	18,020,049	40,547,613	57,250,530
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	10,983,152	9,970,383	9,054,562	8,203,246	7,428,441
53 Total Interest Charges	10,983,152	9,970,383	9,054,562	8,203,246	7,428,441
54 Income Before Extraordinary & Nonreg Items	6,703,084	(317,152)	8,965,487	32,344,367	49,822,089
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	21,368,183	17,958,092	18,984,052	20,829,143	34,780,341
57 Total Extraordinary & Nonregulated Items	21,368,183	17,958,092	18,984,052	20,829,143	34,780,341
58 Net Income	\$28,071,268	\$17,640,940	\$27,949,539	\$53,173,511	\$84,602,430
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$163,656,827	\$263,973,979	\$255,008,493	\$222,664,126	\$237,842,038
60 Transferred from Income	6,703,084	(317,152)	8,965,486	32,344,367	49,822,089
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		100,000,000			65,000,000
64 Adjustments					
65 Ending Year Balance	170,359,912	163,656,827	263,973,979	255,008,493	222,664,126
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$170,359,912	\$163,656,827	\$263,973,979	\$255,008,493	\$222,664,126

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments			(\$945)	\$4,511	\$15,944
2 Accounts Receivable (Net)	\$1,362,469	\$1,308,944	1,259,924	1,966,542	1,885,725
3 Current Deferred Income Taxes					
4 Other Current Assets	52,261	50,328	50,851	54,985	123,409
5 Total Current Assets	1,414,730	1,359,272	1,309,830	2,026,038	2,025,079
NON-CURRENT ASSETS					
6 Investments	5,017,068	2,344,724	5,122,393	7,244,201	4,974,126
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	334,165	334,165	334,165	334,165	334,165
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	5,351,233	2,678,889	5,456,558	7,578,366	5,308,291
REGULATED PLANT					
13 Total Telecommunications Plant	26,906,619	26,567,470	26,062,437	25,427,670	24,859,521
14 Less: Accumulated Depr and Amort.	23,000,402	22,257,499	21,573,258	20,844,630	20,128,627
15 Net Regulated Plant	3,906,218	4,309,971	4,489,179	4,583,040	4,730,894
16 Total Assets & Other Debits	\$10,672,181	\$8,348,132	\$11,255,567	\$14,187,445	\$12,064,264
CURRENT LIABILITIES					
17 Accounts Payable	2,969,355	1,103,775	757,011	600,550	\$619,567
18 Notes Payable					
19 Advanced Billings	217,511	226,756	231,167	232,172	269,675
20 Customer Deposits	132	(3)	35	101	
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	45,503	67,857	92,047	107,191	30,014
24 Total Current Liabilities	3,232,500	1,398,385	1,080,261	940,014	919,257
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,323,475	1,295,623	1,267,771	1,239,919	587,507
28 Other Deferred Credits	(23,998)	(12,954)	(3,217)	1,861	10,399
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	837,659	919,135	1,004,199	1,072,529	1,109,024
31 Total Other Liab. and Def. Credits	2,137,136	2,201,804	2,268,753	2,314,309	1,706,929
STOCKHOLDER'S EQUITY					
32 Common Stock	1	1	1	1	1
33 Preferred Stock					
34 Other Paid in Capital	5,736,563	5,736,563	5,736,563	5,736,563	5,736,563
35 Retained Earnings	(434,020)	(988,624)	2,169,989	5,196,558	3,701,515
36 Total Stockholder's Equity	5,302,544	4,747,940	7,906,553	10,933,122	9,438,079
37 Total Liab. and Stockholder's Equity	\$10,672,181	\$8,348,129	\$11,255,567	\$14,187,445	\$12,064,264

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,538,522	\$1,660,533	\$1,745,691	\$1,895,443	\$1,937,174	1
Network Access Services	1,635,907	1,675,847	1,702,701	2,097,380	2,163,760	2
Long Distance Network Services	12,612	8,247	20,248	27,065	34,689	3
Miscellaneous Revenues	1,630,278	1,692,624	1,805,854	1,802,216	1,889,979	4
Less: Uncollectible Revenues	52,987	84,057	68,453	73,563	65,978	5
Total Operating Revenues	4,764,330	4,953,194	5,206,041	5,748,541	5,959,624	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(7,623)	48	7,743	9	90	7
General Support Expenses	284,609	314,295	288,531	296,373	313,326	8
Central Office Switching	166,995	122,379	121,019	128,339	138,779	9
Operator Systems Expense	657	3,966	4,665	3,487	2,532	10
Central Office Transmission	140,287	152,053	93,892	80,360	72,477	11
Info. Origination/Termination	130,429	161,966	112,576	191,776	158,918	12
Cable & Wire Facilities	394,758	368,262	350,616	298,362	320,417	13
Total Plant Specific Operations	1,110,112	1,122,969	979,042	998,705	1,006,538	14
Other Plant, Property & Equipment	(583)	(14)	2	88	161	15
Network Operations	495,857	353,359	368,518	369,558	400,785	16
Access Expense	165,458	159,934	145,400	148,775	137,125	17
Depreciation and Amortization	813,537	742,285	771,103	802,886	814,600	18
Total Plant Non-Specific Operations	1,474,269	1,255,564	1,285,024	1,321,306	1,352,671	19
Marketing Expense	228,292	188,503	198,355	170,117	153,040	20
Services Expense	475,675	417,652	343,488	321,408	280,235	21
Total Customer Operations	703,967	606,155	541,843	491,525	433,275	22
Executive & Planning	60,798	70,479	121,276	66,715	46,791	23
General & Administrative	319,330	445,056	529,672	324,367	345,498	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	380,128	515,535	650,948	391,082	392,289	27
Total Operations Expense	3,668,476	3,500,223	3,456,857	3,202,618	3,184,773	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	218,569	173,363	247,313	362,710	322,555	31
Net Operating Income Before FIT	877,286	1,279,608	1,501,871	2,183,213	2,452,296	32
Investment Tax Credits - Net						33
Federal Income Taxes	(781,947)	(672,211)	(604,798)	115,944	1,432,749	34
Provision - Def. Operating Income Taxes - Net	708,363	759,041	732,830	648,181	27,857	35
Net Operating Income	\$950,870	\$1,192,778	\$1,373,839	\$1,419,088	\$991,690	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$950,870	\$1,192,778	\$1,373,839	\$1,419,088	\$991,690
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income			3	178,928	550,123
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	(0)	4,713	1,637	607	2,864
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	12,897				1,098,150
45 Special Charges	272	11,682	7,807	(7,248)	(5,434)
46 Total Non-Operating Income & Expenses	12,625	16,395	(6,167)	186,783	1,656,571
NON-OPERATING TAXES					
47 Federal Income Taxes	359,774	323,425	354,264	74,909	
48 Other					
49 Total Non-Operating Taxes	359,774	323,425	354,264	74,909	
50 Income Available Before Interest Charges	603,720	885,748	1,013,408	1,530,962	2,648,261
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	49,116	44,364	39,977	35,919	(29,492)
53 Total Interest Charges	49,116	44,364	39,977	35,919	(29,492)
54 Income Before Extraordinary & Nonreg Items	554,604	841,384	973,431	1,495,043	2,677,753
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$554,604	\$841,384	\$973,431	\$1,495,043	\$2,677,753
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$988,627)	\$2,169,989	\$5,196,558	\$3,701,515	\$4,023,762
60 Transferred from Income	554,604	841,384	973,431	1,495,043	2,677,753
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		4,000,000	4,000,000		3,000,000
64 Adjustments					
65 Ending Year Balance	(434,023)	(988,627)	2,169,989	5,196,558	3,701,515
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	(\$434,023)	(\$988,626)	\$2,169,989	\$5,196,558	\$3,701,515

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments			(\$1,834)	\$2,364	(\$37,307)
2 Accounts Receivable (Net)	\$1,516,739	\$1,405,663	1,245,919	1,657,292	2,049,262
3 Current Deferred Income Taxes					
4 Other Current Assets	148,842	156,969	143,388	55,464	232,784
5 Total Current Assets	1,665,581	1,562,632	1,387,473	1,715,120	2,244,739
NON-CURRENT ASSETS					
6 Investments	8,593,095	5,357,876	15,375,945	13,560,376	13,195,202
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	277,935	277,935	277,935	277,935	277,935
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	(321,000)	(321,000)	(321,000)	(321,000)	(321,000)
12 Total Non-Current Assets	8,550,030	5,314,811	15,332,880	13,517,311	13,152,137
REGULATED PLANT					
13 Total Telecommunications Plant	52,912,738	52,792,752	52,401,697	52,058,963	51,756,513
14 Less: Accumulated Depr and Amort.	43,910,811	42,985,210	41,593,758	40,036,826	37,829,281
15 Net Regulated Plant	9,001,927	9,807,542	10,807,939	12,022,137	13,927,232
16 Total Assets & Other Debits	\$19,217,538	\$16,684,985	\$27,528,292	\$27,254,568	\$29,324,108
CURRENT LIABILITIES					
17 Accounts Payable	3,900,243	1,662,180	891,597	852,080	\$1,666,559
18 Notes Payable					
19 Advanced Billings	136,200	143,134	174,623	175,282	220,866
20 Customer Deposits	(141)	(31)	71	(70)	
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	31,114	63,728	196,641	182,983	40,939
24 Total Current Liabilities	4,067,416	1,869,012	1,262,931	1,210,275	1,928,364
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,831,824	2,637,741	2,466,051	2,294,361	2,022,343
28 Other Deferred Credits	113,216	120,700	120,841	108,610	113,690
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	243,205	295,176	390,541	481,374	492,513
31 Total Other Liab. and Def. Credits	3,188,245	3,053,618	2,977,433	2,884,346	2,628,545
STOCKHOLDER'S EQUITY					
32 Common Stock					
33 Preferred Stock					
34 Other Paid in Capital	12,654,368	12,654,368	12,654,368	12,654,368	12,654,368
35 Retained Earnings	(692,490)	(892,015)	10,633,560	10,505,580	12,112,831
36 Total Stockholder's Equity	11,961,877	11,762,353	23,287,928	23,159,948	24,767,199
37 Total Liab. and Stockholder's Equity	\$19,217,538	\$16,684,983	\$27,528,292	\$27,254,568	\$29,324,108

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

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INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$2,027,864	\$2,219,038	\$2,435,216	\$2,645,315	\$3,301,222	1
Network Access Services	2,422,645	2,877,278	2,649,631	3,516,169	3,881,625	2
Long Distance Network Services	(3,818)	(2,886)	(3,795)	(1,426)	(245)	3
Miscellaneous Revenues	1,897,480	2,105,052	2,390,587	2,657,856	3,072,353	4
Less: Uncollectible Revenues	79,973	98,549	85,108	(19,940)	61,024	5
Total Operating Revenues	4,944,550	7,099,933	7,386,531	8,837,853	10,193,931	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(426)	63	10,323	13	156	7
General Support Expenses	276,442	414,946	388,493	410,988	477,892	8
Central Office Switching	1,073,738	1,036,736	1,068,022	1,040,431	1,176,652	9
Operator Systems Expense	616	5,144	6,383	4,999	4,038	10
Central Office Transmission	127,997	129,390	143,545	153,090	195,405	11
Info. Origination/Termination	288,445	324,453	312,277	327,585	376,852	12
Cable & Wire Facilities	319,696	370,580	409,828	425,586	510,711	13
Total Plant Specific Operations	2,086,509	2,281,312	2,338,872	2,362,693	2,741,707	14
Other Plant, Property & Equipment	(584)	(21)	3	135	280	15
Network Operations	358,164	335,144	454,217	543,008	604,119	16
Access Expense	195,072	204,725	214,620	198,740	205,248	17
Depreciation and Amortization	1,535,280	1,589,673	1,806,573	2,514,667	3,059,689	18
Total Plant Non-Specific Operations	2,087,932	2,129,521	2,475,412	3,256,550	3,869,337	19
Marketing Expense	225,693	249,466	274,189	254,646	253,561	20
Services Expense	558,060	667,838	611,595	607,655	664,695	21
Total Customer Operations	783,753	917,304	885,784	862,301	918,256	22
Executive & Planning	61,771	98,536	172,562	101,865	80,575	23
General & Administrative	363,401	635,067	763,726	537,485	527,683	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	425,172	733,603	936,288	639,351	608,258	27
Total Operations Expense	4,997,929	6,061,740	6,636,356	7,120,894	8,137,558	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	558,940	358,582	596,289	688,435	587,721	31
Net Operating Income Before FIT	(612,320)	679,611	153,886	1,028,524	1,468,653	32
Investment Tax Credits - Net						33
Federal Income Taxes	(2,039,895)	(3,236,335)	(2,382,196)	98,516	674,126	34
Provision - Def. Operating Income Taxes - Net	1,825,583	3,148,095	2,017,286	265,687	232,594	35
Net Operating Income	(\$398,008)	\$767,851	\$518,796	\$664,321	\$561,933	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$398,008)	\$767,851	\$518,796	\$664,321	\$561,933
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction		6,071	2,301	3,024	801
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	7,485	6,828			
45 Special Charges	263	(3)	(866)	(3,004)	(1,107)
46 Total Non-Operating Income & Expenses	7,222	12,896	3,167	6,028	1,908
NON-OPERATING TAXES					
47 Federal Income Taxes	317,066	282,093	370,410	169,296	
48 Other					
49 Total Non-Operating Taxes	317,066	282,093	370,410	169,296	
50 Income Available Before Interest Charges	(707,852)	498,654	151,553	501,053	563,841
INTEREST CHARGES					
51 Interest on Funded Debt					8,813
52 Other Interest Expense	26,836	24,231	21,841	(391,696)	(1,072,039)
53 Total Interest Charges	26,836	24,231	21,841	(391,696)	(1,063,226)
54 Income Before Extraordinary & Nonreg Items	(734,689)	474,423	129,712	892,749	1,627,068
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	934,213	931,727	1,196,488		
57 Total Extraordinary & Nonregulated Items	934,213	931,727	1,196,488		
58 Net Income	\$199,524	\$1,406,150	\$1,326,200	\$892,749	\$1,627,068
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RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,471,197	\$10,633,560	\$10,505,580	\$12,112,831	\$13,485,763
60 Transferred from Income	199,524	474,423	127,981	892,749	1,627,068
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				2,500,000	3,000,000
64 Adjustments	(11,363,212)	(636,786)			
65 Ending Year Balance	(692,491)	10,471,197	10,633,560	10,505,580	12,112,831
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	(\$692,491)	\$10,471,197	\$10,633,560	\$10,505,580	\$12,112,831

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$264,766	\$396,269	\$512,507	\$655,921	\$713,039
2 Accounts Receivable (Net)	594,953	413,398	275,418	301,731	354,790
3 Current Deferred Income Taxes	2,165	3,164	4,162	4,949	4,748
4 Other Current Assets	214,617	198,932	177,190	229,208	235,458
5 Total Current Assets	1,076,502	1,011,764	969,277	1,191,809	1,308,035
NON-CURRENT ASSETS					
6 Investments	4,314,376	4,342,488	4,420,858	4,421,010	4,330,392
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,257,107	766,000	557,604	408,627	382,579
11 Other Non-Current Assets	2,064,676	2,002,912	1,904,925	1,800,435	1,672,980
12 Total Non-Current Assets	7,636,159	7,111,400	6,883,387	6,630,072	6,385,950
REGULATED PLANT					
13 Total Telecommunications Plant	9,256,923	9,110,923	9,241,224	10,012,848	9,785,946
14 Less: Accumulated Depr and Amort.	6,200,666	5,871,426	5,948,867	7,257,391	7,006,276
15 Net Regulated Plant	3,056,257	3,239,497	3,292,357	2,755,458	2,779,670
16 Total Assets & Other Debits	\$11,768,918	\$11,362,660	\$11,145,022	\$10,577,340	\$10,473,656
CURRENT LIABILITIES					
17 Accounts Payable	\$1,950,783	\$1,412,450	\$1,091,940	\$392,078	\$619,449
18 Notes Payable					
19 Advanced Billings	18,227	20,704	23,080	21,776	22,671
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	18,377	(246,700)	(188,425)	(102,303)	(344,678)
24 Total Current Liabilities	1,987,387	1,186,453	926,595	311,552	297,443
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	613,144	623,474	481,901	204,607	120,458
28 Other Deferred Credits	6,367	9,306	12,240	14,556	13,965
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,701,721	1,643,223	1,283,562	1,264,572	1,268,425
31 Total Other Liab. and Def. Credits	2,321,233	2,276,003	1,777,703	1,483,734	1,402,848
STOCKHOLDER'S EQUITY					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital	(241,815)	(222,587)	4,662	41,397	(37,772)
35 Retained Earnings	7,622,113	8,042,791	8,356,062	8,660,657	8,731,138
36 Total Stockholder's Equity	7,460,298	7,900,204	8,440,724	8,782,054	8,773,366
37 Total Liab. and Stockholder's Equity	\$11,768,918	\$11,362,660	\$11,145,022	\$10,577,340	\$10,473,656

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$649,860	\$640,643	\$611,371	\$494,763	\$459,747	1
Network Access Services	1,470,168	1,555,873	1,478,905	1,807,387	1,853,602	2
Long Distance Network Services						3
Miscellaneous Revenues	254,588	278,481	306,960	305,165	331,517	4
Less: Uncollectible Revenues	1,233	5,037	1,072	(2,527)	(2,351)	5
Total Operating Revenues	2,373,383	2,469,960	2,396,164	2,609,842	2,647,217	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,775	6,443	7,282	6,018	9,111	7
General Support Expenses	270,685	278,861	289,976	276,979	268,327	8
Central Office Switching	295,701	371,568	281,198	207,770	272,285	9
Operator Systems Expense						10
Central Office Transmission	102,814	70,860	64,337	93,218	129,805	11
Info. Origination/Termination	30,446	36,613	23,629	22,368	22,757	12
Cable & Wire Facilities	139,962	108,466	100,066	84,891	109,364	13
Total Plant Specific Operations	844,383	872,811	766,487	691,244	811,650	14
Other Plant, Property & Equipment						15
Network Operations	280,476	287,736	299,198	312,789	379,665	16
Access Expense	69,747	66,540	66,898	54,506	40,820	17
Depreciation and Amortization	353,212	292,802	231,857	455,215	581,178	18
Total Plant Non-Specific Operations	703,435	647,078	597,953	822,511	1,001,662	19
Marketing Expense	93,969	85,671	103,513	61,470	39,909	20
Services Expense	167,603	177,346	190,628	195,727	278,028	21
Total Customer Operations	261,572	263,017	294,140	257,197	317,937	22
Executive & Planning	274,332	271,180	276,079	262,998	310,576	23
General & Administrative	700,647	730,448	702,327	768,489	808,641	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	974,979	1,001,628	978,406	1,031,487	1,119,217	27
Total Operations Expense	2,784,369	2,784,534	2,636,986	2,802,438	3,250,465	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	104,527	116,049	118,004	122,559	116,216	31
Net Operating Income Before FIT	(515,513)	(430,623)	(358,827)	(315,155)	(719,465)	32
Investment Tax Credits - Net						33
Federal Income Taxes		(269,817)	(239,402)	(114,042)	(211,883)	34
Provision - Def. Operating Income Taxes - Net	(153,127)	136,836	148,028	85,259	(35,129)	35
Net Operating Income	(\$362,386)	(\$297,642)	(\$267,453)	(\$286,372)	(\$472,453)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$362,386)	(\$297,642)	(\$267,453)	(\$286,372)	(\$472,453)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	1,615	1,076	2,366	14,980	42,039
39 Interest Income	7,265	12,764	13,256	2,140	17,062
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(28,112)	(78,370)	(152)	90,619	1,201,852
44 Other Non-Operating Income	8,543	2,370	69,287	(21,623)	(150,379)
45 Special Charges	(40,940)	(56,387)	(57,729)	(63,120)	67,228
46 Total Non-Operating Income & Expenses	30,252	(5,773)	142,486	149,235	1,043,345
NON-OPERATING TAXES					
47 Federal Income Taxes	1,544	859	23,628	(78,887)	(46,923)
48 Other					
49 Total Non-Operating Taxes	1,544	859	23,628	(78,887)	(46,923)
50 Income Available Before Interest Charges	(333,678)	(304,274)	(148,595)	(58,250)	617,816
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense				233	
53 Total Interest Charges				233	
54 Income Before Extraordinary & Nonreg Items	(333,678)	(304,274)	(148,595)	(58,483)	617,816
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$333,678)	(\$304,274)	(\$148,595)	(\$58,483)	\$617,816

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,226,051	\$6,460,954	\$6,765,397	\$6,926,498	\$7,772,533
60 Transferred from Income	(305,565)	(225,903)	(148,443)	(149,100)	(584,035)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	87,000	9,000	156,000	12,000	262,000
64 Adjustments					
65 Ending Year Balance	5,833,486	6,226,051	6,460,954	6,765,397	6,926,498
66 Appropriated/Undistr Affiliate Retained Earnings	1,788,627	1,816,738	1,895,108	1,895,260	1,804,641
67 Total Retained Earnings	\$7,622,113	\$8,042,789	\$8,356,062	\$8,660,657	\$8,731,138

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$168,525	\$101,924	\$60,349	\$155,050	\$148,155
2 Accounts Receivable (Net)	128,391	139,074	166,688	168,068	186,941
3 Current Deferred Income Taxes	69,710	70,960	8,941	8,291	8,636
4 Other Current Assets	1,348,769	1,333,561	1,234,557	1,172,783	1,069,303
5 Total Current Assets	1,715,395	1,645,519	1,470,535	1,504,192	1,413,035
NON-CURRENT ASSETS					
6 Investments	1,795,019	1,598,630	1,489,272	1,459,304	1,458,714
7 Unamortized Debt Issuance Costs			985	2,221	3,457
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	459,047	467,501	560,132	566,707	455,210
11 Other Non-Current Assets					
12 Total Non-Current Assets	2,254,066	2,066,131	2,050,389	2,028,232	1,917,381
REGULATED PLANT					
13 Total Telecommunications Plant	5,158,894	5,166,639	5,296,924	5,236,759	5,734,818
14 Less: Accumulated Depr and Amort.	4,018,939	4,015,865	3,885,735	3,629,725	3,937,556
15 Net Regulated Plant	1,139,955	1,150,774	1,411,189	1,607,034	1,797,262
16 Total Assets & Other Debits	\$5,109,416	\$4,862,424	\$4,932,113	\$5,139,458	\$5,127,678
CURRENT LIABILITIES					
17 Accounts Payable	1,289,007	999,184	\$994,100	\$867,140	\$1,094,491
18 Notes Payable	327,000	386,000	436,000	410,000	
19 Advanced Billings					
20 Customer Deposits		140			
21 Current Maturities - Long-Term Debt	6,872	6,421	55,825	122,879	130,247
22 Current Deferred Income Taxes					
23 Other Current Liabilities	120,683	128,594	(123,178)	(51,806)	(53,737)
24 Total Current Liabilities	1,743,562	1,520,339	1,362,747	1,348,213	1,171,001
LONG-TERM DEBT					
25 Long-Term Debt	22,882	29,767	25,041	80,751	203,867
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	188,194	169,555	226,573	250,193	210,319
28 Other Deferred Credits	820,710	827,616	835,228	838,762	833,619
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	310,192	310,192	485,524	472,087	459,679
31 Total Other Liab. and Def. Credits	1,319,096	1,307,363	1,547,325	1,561,042	1,503,617
STOCKHOLDER'S EQUITY					
32 Common Stock	60,000	60,000	60,000	60,000	60,000
33 Preferred Stock					
34 Other Paid in Capital	(950,752)	(950,752)	(950,752)	(950,752)	(950,752)
35 Retained Earnings	2,914,628	2,895,707	2,887,752	3,040,204	3,139,945
36 Total Stockholder's Equity	2,023,876	2,004,955	1,997,000	2,149,452	2,249,193
37 Total Liab. and Stockholder's Equity	\$5,109,416	\$4,862,424	\$4,932,113	\$5,139,458	\$5,127,678

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$357,615	\$351,851	\$337,473	\$328,758	\$347,581	1
Network Access Services	1,091,985	1,173,285	1,254,363	1,381,003	1,477,706	2
Long Distance Network Services	143	139	127	259	1,225	3
Miscellaneous Revenues	83,134	87,440	97,827	100,972	77,632	4
Less: Uncollectible Revenues	1,200	34	1,200	1,200	8,200	5
Total Operating Revenues	1,531,677	1,612,681	1,688,590	1,809,792	1,895,944	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,212	14,937	12,723	12,569	15,099	7
General Support Expenses	65,324	63,030	70,040	89,577	99,509	8
Central Office Switching	260,774	306,978	347,837	322,735	374,543	9
Operator Systems Expense						10
Central Office Transmission	60,433	512	1,415	698		11
Info. Origination/Termination						12
Cable & Wire Facilities	237,262	242,545	304,252	300,111	317,486	13
Total Plant Specific Operations	636,005	628,002	736,267	725,690	806,637	14
Other Plant, Property & Equipment						15
Network Operations	41,968	38,362	51,819	39,336	37,903	16
Access Expense	42,244	39,126	38,515	30,597	13,959	17
Depreciation and Amortization	123,598	242,660	255,104	281,275	299,759	18
Total Plant Non-Specific Operations	207,810	320,148	345,438	351,208	351,621	19
Marketing Expense	8,439	10,643	12,912	19,086	18,936	20
Services Expense	136,452	135,731	140,903	148,157	159,810	21
Total Customer Operations	144,891	146,374	153,815	167,243	178,746	22
Executive & Planning	266,599	264,341	290,252	295,251	346,932	23
General & Administrative	382,791	367,327	364,577	346,237	349,616	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	649,390	631,668	654,829	641,488	696,548	27
Total Operations Expense	1,638,096	1,726,192	1,890,349	1,885,629	2,033,552	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	74,920	78,015	84,852	90,236	92,804	31
Net Operating Income Before FIT	(181,339)	(191,526)	(286,611)	(166,073)	(230,412)	32
Investment Tax Credits - Net						33
Federal Income Taxes					(31,500)	34
Provision - Def. Operating Income Taxes - Net	(77,073)	(89,590)	(112,772)	(74,185)	(59,611)	35
Net Operating Income	(\$104,266)	(\$101,936)	(\$173,839)	(\$91,888)	(\$139,301)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$104,266)	(\$101,936)	(\$173,839)	(\$91,888)	(\$139,301)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					4,568
39 Interest Income	140	327	492	3,469	
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	196,994	109,358	29,968	590	60,254
44 Other Non-Operating Income					9,511
45 Special Charges	43,956	(23,639)	(16,013)	(16,249)	
46 Total Non-Operating Income & Expenses	153,178	133,324	46,473	20,308	74,333
NON-OPERATING TAXES					
47 Federal Income Taxes	2,469	2,739	1,413	(2,345)	(418)
48 Other					
49 Total Non-Operating Taxes	2,469	2,739	1,413	(2,345)	(418)
50 Income Available Before Interest Charges	46,443	28,649	(128,779)	(69,235)	(64,550)
INTEREST CHARGES					
51 Interest on Funded Debt	2,216	3,405	9,605	19,020	27,944
52 Other Interest Expense	25,306	17,289	14,068	11,486	1,236
53 Total Interest Charges	27,522	20,694	23,673	30,506	29,180
54 Income Before Extraordinary & Nonreg Items	18,921	7,955	(152,452)	(99,741)	(93,730)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$18,921	\$7,955	(\$152,452)	(\$99,741)	(\$93,730)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,303,588	\$1,404,991	\$1,587,411	\$1,687,742	\$1,859,186
60 Transferred from Income	(178,073)	(101,403)	(182,420)	(100,331)	(153,984)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					17,460
64 Adjustments					
65 Ending Year Balance	1,125,515	1,303,588	1,404,991	1,587,411	1,687,742
66 Appropriated/Undistr Affiliate Retained Earnings	1,789,113	1,592,119	1,482,761	1,452,793	1,452,203
67 Total Retained Earnings	\$2,914,628	\$2,895,707	\$2,887,752	\$3,040,204	\$3,139,945

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$441,999	\$372,968	\$339,775	\$496,567	\$647,987
2 Accounts Receivable (Net)	322,667	433,546	525,788	481,655	614,040
3 Current Deferred Income Taxes	6,205	5,739	5,236	4,691	4,365
4 Other Current Assets	242,679	219,157	213,816	208,939	215,433
5 Total Current Assets	1,013,550	1,031,410	1,084,615	1,191,852	1,481,825
NON-CURRENT ASSETS					
6 Investments	2,591,011	3,136,320	2,910,987	3,314,176	3,600,113
7 Unamortized Debt Issuance Costs	1,723	2,066	2,409	2,923	3,437
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	81,610	157,863	74,834	80,294	84,807
11 Other Non-Current Assets	1,105,169	998,900	897,553	785,343	676,760
12 Total Non-Current Assets	3,779,513	4,295,149	3,885,783	4,182,736	4,365,117
REGULATED PLANT					
13 Total Telecommunications Plant	12,868,633	12,522,868	12,391,830	12,201,727	12,046,928
14 Less: Accumulated Depr and Amort.	10,756,208	10,415,885	10,073,838	9,649,813	9,326,696
15 Net Regulated Plant	2,112,425	2,106,983	2,317,992	2,551,914	2,720,232
16 Total Assets & Other Debits	\$6,905,488	\$7,433,542	\$7,288,390	\$7,926,502	\$8,567,174
CURRENT LIABILITIES					
17 Accounts Payable	\$145,372	\$101,829	\$96,409	\$108,606	\$105,475
18 Notes Payable	170,000	185,000			
19 Advanced Billings	24,027	19,758	23,532	24,318	26,454
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(18,695)	203,277	36,911	36,872	402,083
24 Total Current Liabilities	320,704	509,864	156,852	169,796	534,012
LONG-TERM DEBT					
25 Long-Term Debt	80,796	105,130	128,294	160,153	241,280
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	117,789	144,035	147,540	175,699	177,853
28 Other Deferred Credits	206,023	220,861	235,507	249,963	262,279
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	323,812	364,896	383,047	425,662	440,132
STOCKHOLDER'S EQUITY					
32 Common Stock	130,000	130,000	130,000	130,000	130,000
33 Preferred Stock					
34 Other Paid in Capital	6,983	6,025	7,973	5,887	5,527
35 Retained Earnings	6,043,193	6,317,627	6,482,224	7,035,004	7,216,223
36 Total Stockholder's Equity	6,180,176	6,453,652	6,620,197	7,170,891	7,351,750
37 Total Liab. and Stockholder's Equity	\$6,905,488	\$7,433,542	\$7,288,390	\$7,926,502	\$8,567,174

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$588,189	\$646,105	\$656,379	\$649,016	\$640,228	1
Network Access Services	1,108,415	1,261,328	1,240,315	1,381,321	1,477,878	2
Long Distance Network Services						3
Miscellaneous Revenues	296,360	344,405	349,042	376,609	363,924	4
Less: Uncollectible Revenues						5
Total Operating Revenues	1,992,964	2,251,838	2,245,736	2,406,946	2,482,030	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	3,502		1,096	1,307	2,178	7
General Support Expenses	110,362	196,635	102,314	100,681	121,920	8
Central Office Switching	88,007	91,360	84,846	97,154	112,623	9
Operator Systems Expense						10
Central Office Transmission	156,600	126,247	125,622	135,975	123,064	11
Info. Origination/Termination	17,548	24,182	20,916	17,543	18,701	12
Cable & Wire Facilities	182,182	200,966	135,860	142,610	144,622	13
Total Plant Specific Operations	558,201	639,390	470,654	495,270	523,108	14
Other Plant, Property & Equipment						15
Network Operations	217,465	197,845	176,183	164,041	148,739	16
Access Expense	57,599	56,218	54,746	44,053	47,280	17
Depreciation and Amortization	369,461	414,780	464,658	420,705	473,546	18
Total Plant Non-Specific Operations	644,525	668,843	695,587	628,799	669,565	19
Marketing Expense	19,763	7,307	13,396	12,248	14,192	20
Services Expense	417,329	330,309	333,661	379,801	416,173	21
Total Customer Operations	437,092	337,616	347,057	392,049	430,365	22
Executive & Planning	386,849	358,237	352,480	354,200	405,539	23
General & Administrative	490,915	424,982	385,897	420,900	474,778	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	877,764	783,219	738,377	775,100	880,317	27
Total Operations Expense	2,517,582	2,429,068	2,251,675	2,291,218	2,503,355	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	100,488	117,527	120,944	122,649	138,587	31
Net Operating Income Before FIT	(625,106)	(294,757)	(126,883)	(6,921)	(159,912)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(251,029)	(10,412)	(21,113)	(4,722)	(102,047)	34
Provision - Def. Operating Income Taxes - Net	49,046	(86,033)	(24,319)	1,848	45,470	35
Net Operating Income	(\$423,123)	(\$198,312)	(\$81,451)	(\$4,047)	(\$103,335)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$423,123)	(\$198,312)	(\$81,451)	(\$4,047)	(\$103,335)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	289	259	204	185	167
39 Interest Income	955	1,226	1,321	3,209	13,622
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	354,600	245,967	127,555	112,093	848,881
44 Other Non-Operating Income	26,646	17,986	23,451	19,759	8,771
45 Special Charges	4,620	4,170	5,278	6,165	5,580
46 Total Non-Operating Income & Expenses	377,870	261,268	147,253	129,081	865,861
NON-OPERATING TAXES					
47 Federal Income Taxes	(1,217)	(974)	(1,303)	(646)	2,507
48 Other					
49 Total Non-Operating Taxes	(1,217)	(974)	(1,303)	(646)	2,507
50 Income Available Before Interest Charges	(44,036)	63,930	67,105	125,680	760,019
INTEREST CHARGES					
51 Interest on Funded Debt	4,625	6,974	6,899	9,832	13,900
52 Other Interest Expense	(1,727)	(5,947)	(5,717)	(2,933)	3,308
53 Total Interest Charges	2,898	1,027	1,182	6,899	17,208
54 Income Before Extraordinary & Nonreg Items	(46,934)	62,903	65,923	118,781	742,811
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$46,934)	\$62,903	\$65,923	\$118,781	\$742,811
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$5,498,648	\$5,909,212	\$6,589,547	\$6,882,859	\$7,216,429
60 Transferred from Income	(401,534)	(183,064)	(61,632)	6,688	(106,070)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	227,500	227,500	618,703	300,000	227,500
64 Adjustments					
65 Ending Year Balance	4,869,614	5,498,648	5,909,212	6,589,547	6,882,859
66 Appropriated/Undistr Affiliate Retained Earnings	1,173,579	818,979	573,012	445,457	333,364
67 Total Retained Earnings	\$6,043,193	\$6,317,627	\$6,482,224	\$7,035,004	\$7,216,223

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,079,318	\$957,408	\$1,179,530	\$1,585,978	\$2,111,275
2 Accounts Receivable (Net)	448,248	591,925	749,596	989,556	1,003,874
3 Current Deferred Income Taxes	19,263	17,760	16,396	14,960	13,517
4 Other Current Assets	428,530	440,648	443,780	342,914	285,686
5 Total Current Assets	1,975,359	2,007,741	2,389,302	2,933,408	3,414,352
NON-CURRENT ASSETS					
6 Investments	1,647,286	1,777,967	1,866,093	1,987,814	2,096,673
7 Unamortized Debt Issuance Costs	4,073	4,636	5,199	5,774	6,478
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,431,835	1,376,408	951,950	692,016	705,336
11 Other Non-Current Assets	1,416,690	1,416,690	1,416,690	1,416,690	1,416,690
12 Total Non-Current Assets	4,499,884	4,575,701	4,239,932	4,102,294	4,225,177
REGULATED PLANT					
13 Total Telecommunications Plant	24,146,429	23,907,710	23,248,706	22,185,653	21,301,335
14 Less: Accumulated Depr and Amort.	19,493,098	18,516,868	17,847,674	17,136,424	16,510,528
15 Net Regulated Plant	4,653,331	5,390,842	5,401,032	5,049,229	4,790,807
16 Total Assets & Other Debits	\$11,128,574	\$11,974,284	\$12,030,266	\$12,084,931	\$12,430,336
CURRENT LIABILITIES					
17 Accounts Payable	\$396,412	\$326,970	\$260,815	\$215,709	\$260,964
18 Notes Payable					
19 Advanced Billings	(36)	(73)			
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	150,751	169,763	(63,409)	71,918	(78,000)
24 Total Current Liabilities	547,127	496,660	197,406	287,627	182,964
LONG-TERM DEBT					
25 Long-Term Debt	964,877	1,048,844	1,126,773	1,199,096	1,483,962
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	540,297	722,204	521,432	244,275	163,296
28 Other Deferred Credits	1,337,424	1,415,693	1,465,483	1,486,510	1,494,272
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	536,270	586,110	537,796	492,828	520,000
31 Total Other Liab. and Def. Credits	2,413,991	2,724,007	2,524,711	2,223,613	2,177,568
STOCKHOLDER'S EQUITY					
32 Common Stock	64,200	64,200	64,200	64,200	64,200
33 Preferred Stock					
34 Other Paid in Capital	(840,336)	(840,336)	(840,336)	(840,336)	(840,336)
35 Retained Earnings	7,978,715	8,480,909	8,957,512	9,150,731	9,361,978
36 Total Stockholder's Equity	7,202,579	7,704,773	8,181,376	8,374,595	8,585,842
37 Total Liab. and Stockholder's Equity	\$11,128,574	\$11,974,284	\$12,030,266	\$12,084,931	\$12,430,336

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$936,769	\$972,453	\$64,200	\$1,076,429	\$1,131,327	1
Network Access Services	2,860,083	2,917,962		3,002,508	3,074,457	2
Long Distance Network Services			(840,336)			3
Miscellaneous Revenues	526,421	519,563	8,957,512	561,677	568,938	4
Less: Uncollectible Revenues	50,900	150,200	106,525	71,550	104,325	5
Total Operating Revenues	4,272,373	4,259,778	8,074,851	4,569,064	4,670,397	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	14,430	17,403	14,694	14,091	19,042	7
General Support Expenses	176,975	194,560	227,325	279,254	240,523	8
Central Office Switching	306,075	281,965	186,702	221,500	190,735	9
Operator Systems Expense						10
Central Office Transmission	199,095	168,579	207,829	187,012	240,250	11
Info. Origination/Termination	106,577	36,401	22,269	26,392	27,113	12
Cable & Wire Facilities	301,825	318,766	223,818	273,043	256,916	13
Total Plant Specific Operations	1,104,977	1,017,674	882,637	1,001,292	974,579	14
Other Plant, Property & Equipment	2,867	2,359	1,617	2,075	2,524	15
Network Operations	235,167	273,232	285,153	254,335	291,574	16
Access Expense	126,067	123,002	116,622	92,734	94,811	17
Depreciation and Amortization	1,262,182	1,045,487	753,199	841,381	920,907	18
Total Plant Non-Specific Operations	1,626,283	1,444,080	1,156,591	1,190,525	1,309,816	19
Marketing Expense	28,053	22,799	38,374	36,912	36,641	20
Services Expense	339,982	369,816	470,070	462,404	501,538	21
Total Customer Operations	368,035	392,615	508,444	499,316	538,179	22
Executive & Planning	437,404	561,870	599,628	495,975	472,838	23
General & Administrative	770,409	764,275	700,589	786,755	791,394	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,207,813	1,326,145	1,300,217	1,282,730	1,264,232	27
Total Operations Expense	4,307,108	4,180,514	3,847,889	3,973,863	4,086,806	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	315,301	310,904	301,695	310,325	319,357	31
Net Operating Income Before FIT	(350,036)	(231,640)	3,925,267	284,876	264,234	32
Investment Tax Credits - Net						33
Federal Income Taxes				(11,893)	(57,205)	34
Provision - Def. Operating Income Taxes - Net	(124,435)	(88,131)	64,639	85,886	113,775	35
Net Operating Income	(\$225,601)	(\$143,509)	\$3,860,628	\$210,883	\$207,664	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$225,601)	(\$143,509)	\$3,860,628	\$210,883	\$207,664
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	1,988	2,756	6,412	11,228	48,842
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property				(164)	(218)
43 Equity in Earnings of Affiliated Companies	(100,681)	(67,857)	(121,721)	(108,695)	(71,481)
44 Other Non-Operating Income	(109,188)	(129,229)	(109,578)	(122,929)	(163,868)
45 Special Charges	21,191	17,903	45,585	42,062	44,234
46 Total Non-Operating Income & Expenses	(229,072)	(212,233)	(270,472)	(262,622)	(230,959)
NON-OPERATING TAXES					
47 Federal Income Taxes	(42,295)	(40,985)	(48,852)	(50,985)	(52,690)
48 Other					
49 Total Non-Operating Taxes	(42,295)	(40,985)	(48,852)	(50,985)	(52,690)
50 Income Available Before Interest Charges	(412,378)	(314,757)	3,639,008	(754)	29,395
INTEREST CHARGES					
51 Interest on Funded Debt	75,808	81,860	87,477	97,828	113,219
52 Other Interest Expense	(29,130)	(18,614)	4,440	14,065	58,746
53 Total Interest Charges	46,678	63,246	91,917	111,893	171,965
54 Income Before Extraordinary & Nonreg Items	(459,056)	(378,003)	3,547,091	(112,647)	(142,570)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$459,056)	(\$378,003)	\$3,547,091	(\$112,647)	(\$142,570)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,361,494	\$10,770,240	\$10,841,738	\$10,944,290	\$11,113,979
60 Transferred from Income	(358,375)	(310,146)	27,102	(3,952)	(71,089)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	43,138	98,600	98,600	98,600	98,600
64 Adjustments					
65 Ending Year Balance	9,959,981	10,361,494	10,770,240	10,841,738	10,944,290
66 Appropriated/Undistr Affiliate Retained Earnings	(1,981,266)	(1,880,585)	(1,812,728)	(1,691,007)	(1,582,312)
67 Total Retained Earnings	\$7,978,715	\$8,480,909	\$8,957,512	\$9,150,731	\$9,361,978

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$12,404,341	\$5,265,453	(\$0)	\$258,820	\$1,231,034
2 Accounts Receivable (Net)	901,353,777	838,899,803	846,650,940	884,593,642	1,206,502,066
3 Current Deferred Income Taxes					
4 Other Current Assets	111,430,766	123,012,423	124,125,273	176,410,882	259,698,305
5 Total Current Assets	1,025,188,884	967,177,679	970,776,212	1,061,263,345	1,467,431,405
NON-CURRENT ASSETS					
6 Investments	563,736,731	439,357,149	436,712,627	531,841,230	366,333,851
7 Unamortized Debt Issuance Costs	4,940,667	5,144,330	6,103,024	6,962,850	7,874,213
8 Deferred Charges	99,305,912	97,493,072	83,232,170	89,836,693	89,679,857
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	50,490,864	248,439,490	471,549,127	490,517,661	499,756,555
12 Total Non-Current Assets	718,474,174	790,434,041	997,596,948	1,119,158,435	963,644,475
REGULATED PLANT					
13 Total Telecommunications Plant	27,142,402,223	29,803,697,976	29,685,669,682	31,318,953,310	30,542,103,959
14 Less: Accumulated Depr and Amort.	16,654,671,344	19,187,261,951	19,126,125,850	20,840,004,083	20,202,690,437
15 Net Regulated Plant	10,487,730,879	10,616,436,025	10,559,543,832	10,478,949,227	10,339,413,522
16 Total Assets & Other Debits	\$12,231,393,937	\$12,374,047,745	\$12,527,916,992	\$12,659,371,007	\$12,770,489,402
CURRENT LIABILITIES					
17 Accounts Payable	\$471,873,579	\$554,561,533	516,354,150	\$498,764,485	\$868,104,167
18 Notes Payable	7,132,715,795	5,437,338,477	3,618,653,984	3,300,469,580	2,848,778,251
19 Advanced Billings	166,859,324	169,589,740	159,344,984	152,987,435	156,225,854
20 Customer Deposits	4,459,373	3,445,603	7,960,651	7,404,707	6,812,793
21 Current Maturities - Long-Term Debt	201,188,915	1,319,039	1,278,124	401,121,571	1,131,206
22 Current Deferred Income Taxes	(354,941,136)	(331,683,644)	(103,614,791)	(96,139,144)	(118,139,133)
23 Other Current Liabilities	37,734,471	159,723,435	414,784,399	542,387,579	600,762,946
24 Total Current Liabilities	7,659,890,320	5,994,294,183	4,614,761,501	4,806,996,212	4,363,676,084
LONG-TERM DEBT					
25 Long-Term Debt	1,049,886,042	1,250,713,781	2,250,735,680	2,251,102,617	2,649,688,104
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC	12,381,134	14,043,807	16,787,001	17,369,153	19,180,550
27 Non-Current Deferred Taxes	(297,609,760)	123,973,310	269,720,558	86,850,059	(20,427,301)
28 Other Deferred Credits	171,056,892	203,898,912	283,425,357	253,118,877	149,974,328
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	7,841,948,701	7,157,677,788	5,945,289,620	4,473,303,329	4,404,599,235
31 Total Other Liab. and Def. Credits	7,727,776,966	7,499,593,817	6,515,222,536	4,830,641,417	4,553,326,812
STOCKHOLDER'S EQUITY					
32 Common Stock	1,000,010	1,000,010	1,000,010	1,000,010	1,000,010
33 Preferred Stock					-
34 Other Paid in Capital	4,365,667,928	4,365,667,928	4,245,328,446	4,783,857,776	5,144,467,671
35 Retained Earnings	(8,572,827,328)	(6,737,221,974)	(5,099,131,180)	(4,014,227,025)	(3,941,669,279)
36 Total Stockholder's Equity	(4,206,159,390)	(2,370,554,036)	(852,802,724)	770,630,761	1,203,798,402
37 Total Liab. and Stockholder's Equity	\$12,231,393,938	\$12,374,047,745	\$12,527,916,992	\$12,659,371,007	\$12,770,489,402

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,375,749,352	\$1,542,931,776	\$1,730,932,492	\$1,976,603,179	\$2,239,370,515	1
Network Access Services	2,165,171,279	2,132,670,734	2,109,161,592	2,120,781,198	2,173,914,471	2
Long Distance Network Services	90,956,878	100,889,165	112,868,052	130,272,806	137,586,464	3
Miscellaneous Revenues	1,442,628,833	1,269,508,513	1,083,515,337	1,014,909,181	964,203,327	4
Less: Uncollectible Revenues	35,497,135	24,168,004	54,132,700	66,609,686	61,768,654	5
Total Operating Revenues	5,039,009,207	5,021,832,184	4,982,344,773	5,175,956,679	5,453,306,123	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	57,626,127	8,289,739	3,764,606	6,596,203	22,790,003	7
General Support Expenses	364,800,535	351,034,283	380,129,286	396,271,124	420,719,528	8
Central Office Switching	150,105,008	148,641,162	191,770,638	218,619,722	207,436,276	9
Operator Systems Expense	250,669	117,473	209,756	138,541	182,913	10
Central Office Transmission	120,852,568	113,405,060	135,069,457	136,239,381	122,924,973	11
Info. Origination/Termination	1,024,578,129	887,556,211	794,069,743	621,786,502	501,755,962	12
Cable & Wire Facilities	817,670,676	872,755,212	908,208,176	1,188,785,494	918,560,718	13
Total Plant Specific Operations	2,535,883,714	2,381,799,140	2,413,221,662	2,568,436,967	2,194,370,373	14
Other Plant, Property & Equipment	2,766,579	1,357,023	1,075,988	11,441,664	12,074,259	15
Network Operations	577,354,548	629,624,736	1,653,314,219	602,872,014	745,700,972	16
Access Expense	127,186,268	89,991,000	89,744,189	110,362,863	112,634,258	17
Depreciation and Amortization	1,172,416,444	1,213,505,532	1,217,966,993	1,229,000,198	1,333,465,921	18
Total Plant Non-Specific Operations	1,879,723,840	1,934,478,291	2,962,101,389	1,953,676,738	2,203,875,410	19
Marketing Expense	294,617,169	298,809,933	306,953,486	327,130,078	342,217,241	20
Services Expense	393,385,289	445,653,625	561,055,928	567,002,282	580,676,014	21
Total Customer Operations	688,002,459	744,463,558	868,009,414	894,132,361	922,893,255	22
Executive & Planning	30,695,042	28,692,957	29,954,221	48,586,521	58,654,058	23
General & Administrative	2,522,297,850	2,299,701,281	966,489,217	827,701,635	832,871,093	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,552,992,892	2,328,394,238	996,443,439	876,288,156	891,525,150	27
Total Operations Expense	7,656,602,903	7,389,135,227	7,239,775,904	6,292,534,222	6,212,664,189	28
Other Operating Income & Expenses	6,799,811	25,400,215	66,444,250	37,405,368	46,258,738	29
State & Local Income Taxes	(54,228,595)	(5,025,951)	(12,446,099)	(8,832,103)	2,580	30
Other Taxes	409,103,078	463,372,993	420,077,795	450,691,662	466,543,046	31
Net Operating Income Before FIT	(2,965,668,368)	(2,800,249,870)	(2,598,618,577)	(1,521,031,734)	(1,179,644,954)	32
Investment Tax Credits - Net	1,662,674	2,743,195	582,153	1,811,397	1,919,712	33
Federal Income Taxes	(810,505,222)	(685,586,990)	(1,065,904,580)	(793,717,459)	(357,932,280)	34
Provision - Def. Operating Income Taxes - Net	(349,474,825)	(373,816,100)	92,106,901	126,980,952	(181,605,544)	35
Net Operating Income	(\$1,804,025,648)	(\$1,738,103,585)	(\$1,624,238,746)	(\$852,483,830)	(\$638,187,418)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$1,804,025,648)	(\$1,738,103,585)	(\$1,624,238,746)	(\$852,483,830)	(\$638,187,418)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	541,235	(21,197,867)	4,242,021	411,903	5,691,622
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	14,694,534	17,632,408	13,991,889	16,126,829	17,558,298
42 Gains/Losses - Disposal of Property					(423)
43 Equity in Earnings of Affiliated Companies	332,382,004	426,644,522	488,800,727	563,961,041	60,164,881
44 Other Non-Operating Income	(55,041,500)	(18,413,876)	(14,786,388)	(14,277,797)	1,815,285
45 Special Charges	12,751,242	5,686,851	8,087,887	8,032,330	7,182,118
46 Total Non-Operating Income & Expenses	279,825,031	398,978,336	484,160,363	558,189,647	78,047,546
NON-OPERATING TAXES					
47 Federal Income Taxes	(23,671,921)	(7,963,079)	(998,625)	(1,682,069)	175,146
48 Other	(58,069,079)	3,869,557	3,945,956	3,804,125	4,748,000
49 Total Non-Operating Taxes	(81,741,000)	(4,093,522)	2,947,331	2,122,056	4,923,146
50 Income Available Before Interest Charges	(1,442,459,617)	(1,335,031,727)	(1,143,025,714)	(296,416,239)	(565,063,019)
INTEREST CHARGES					
51 Interest on Funded Debt	88,486,176	151,538,961	169,908,763	186,170,072	188,662,235
52 Other Interest Expense	231,838,138	151,520,105	171,234,373	108,588,380	106,873,800
53 Total Interest Charges	320,324,314	303,059,066	341,143,136	294,758,451	295,536,035
54 Income Before Extraordinary & Nonreg Items	(1,762,783,931)	(1,638,090,793)	(1,484,168,850)	(591,174,690)	(860,599,054)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$1,762,783,931)	(\$1,638,090,793)	(\$1,484,168,850)	(\$591,174,690)	(\$860,599,054)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$7,111,576,411)	(\$5,466,841,095)	(\$4,477,065,544)	(\$4,141,856,259)	(\$3,220,893,658)
60 Transferred from Income	(2,095,165,935)	(2,064,735,313)	(1,972,969,577)	(1,155,135,731)	(920,763,936)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	135,178,581	419,999,997	983,194,026	819,926,447	(198,665)
65 Ending Year Balance	(9,071,563,765)	(7,111,576,411)	(5,466,841,095)	(4,477,065,544)	(4,141,856,259)
66 Appropriated/Undistr Affiliate Retained Earnings	498,736,441	374,354,437	367,709,915	462,838,518	200,186,980
67 Total Retained Earnings	(\$8,572,827,324)	(\$6,737,221,974)	(\$5,099,131,180)	(\$4,014,227,025)	(\$3,941,669,279)

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$410,867	\$345,011	\$378,672	\$195,578	\$159,518
2 Accounts Receivable (Net)	147,421	167,734	175,872	185,255	195,590
3 Current Deferred Income Taxes					
4 Other Current Assets	137,474	135,479	163,709	169,978	172,223
5 Total Current Assets	695,762	648,224	718,253	550,811	527,331
NON-CURRENT ASSETS					
6 Investments	2,600,835	2,905,114	2,240,185	2,237,447	2,611,098
7 Unamortized Debt Issuance Costs	1,620	1,836	2,052	4,775	5,175
8 Deferred Charges	5,621	6,425	4,861	4,981	123
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	581,115	388,863	517,549	518,830	441,238
11 Other Non-Current Assets	17,771	15,786	13,889	12,071	9,992
12 Total Non-Current Assets	3,206,962	3,318,024	2,778,536	2,778,104	3,067,626
REGULATED PLANT					
13 Total Telecommunications Plant	11,481,831	11,397,962	11,272,940	11,153,316	10,987,092
14 Less: Accumulated Depr and Amort.	9,154,575	8,932,359	8,576,991	8,101,865	7,533,546
15 Net Regulated Plant	2,327,256	2,465,603	2,695,949	3,051,451	3,453,546
16 Total Assets & Other Debits	\$6,229,980	\$6,431,851	\$6,192,738	\$6,380,366	\$7,048,503
CURRENT LIABILITIES					
17 Accounts Payable	\$55,443	\$483,214	\$162,835	\$73,822	\$637,197
18 Notes Payable					
19 Advanced Billings	5,322	7,573	8,165	10,530	12,448
20 Customer Deposits	425	650	700	850	1,025
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(11,102)	(63,019)	(52,986)	(140,443)	(79,168)
24 Total Current Liabilities	50,088	428,418	118,714	(55,241)	571,502
LONG-TERM DEBT					
25 Long-Term Debt	595,292	673,792	752,292	805,387	842,938
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	387,310	391,101	393,027	417,775	392,453
28 Other Deferred Credits	232,463	267,406	334,682	364,259	636,476
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,410,825	844,319	1,104,758	1,120,195	502,433
31 Total Other Liab. and Def. Credits	2,030,598	1,502,826	1,832,467	1,902,229	1,531,362
STOCKHOLDER'S EQUITY					
32 Common Stock	119,650	119,650	119,650	119,650	119,650
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	3,434,352	3,707,165	3,369,615	3,608,341	3,983,051
36 Total Stockholder's Equity	3,554,002	3,826,815	3,489,265	3,727,991	4,102,701
37 Total Liab. and Stockholder's Equity	\$6,229,980	\$6,431,851	\$6,192,738	\$6,380,366	\$7,048,503

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$968,421	\$1,027,691	\$959,945	\$1,127,731	\$1,278,439	1
Network Access Services	825,384	917,463	880,984	945,986	1,029,662	2
Long Distance Network Services	103,056	103,056	103,056	32,776	5,100	3
Miscellaneous Revenues	564,281	597,637	602,863	423,664	615,943	4
Less: Uncollectible Revenues	7,500	9,000	6,000	5,500	6,750	5
Total Operating Revenues	2,453,642	2,636,847	2,540,848	2,524,657	2,922,394	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,935	7,333	4,793	4,637	11,703	7
General Support Expenses	77,563	111,815	83,773	89,888	126,993	8
Central Office Switching	241,860	222,869	213,828	202,282	196,099	9
Operator Systems Expense						10
Central Office Transmission	37,905	60,072	61,888	55,457	38,301	11
Info. Origination/Termination	20,235	26,092	20,970	28,804	28,101	12
Cable & Wire Facilities	152,900	145,957	143,018	157,568	170,331	13
Total Plant Specific Operations	535,398	574,138	528,270	538,636	571,528	14
Other Plant, Property & Equipment						15
Network Operations	108,107	115,179	113,599	125,343	127,048	16
Access Expense	81,069	75,893	69,228	57,749	61,102	17
Depreciation and Amortization	324,311	406,963	511,246	563,765	588,068	18
Total Plant Non-Specific Operations	513,487	598,035	694,073	746,857	776,218	19
Marketing Expense	32,257	31,256	30,662	30,453	27,941	20
Services Expense	425,330	409,690	414,164	460,691	489,236	21
Total Customer Operations	457,587	440,946	444,826	491,144	517,177	22
Executive & Planning	513,331	439,330	464,136	544,126	113,507	23
General & Administrative	564,207	561,802	555,039	521,529	475,751	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,077,538	1,001,132	1,019,175	1,065,655	589,258	27
Total Operations Expense	2,584,010	2,614,251	2,686,344	2,842,292	2,454,181	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	141,549	144,176	168,103	174,985	172,104	31
Net Operating Income Before FIT	(271,917)	(121,580)	(313,599)	(492,620)	296,109	32
Investment Tax Credits - Net						33
Federal Income Taxes	(89,459)	(67,393)	(65,119)	(167,499)	(183,901)	34
Provision - Def. Operating Income Taxes - Net	(13,312)	15,823	(42,935)	(43,836)	227,896	35
Net Operating Income	(\$169,146)	(\$70,010)	(\$205,545)	(\$281,285)	\$252,114	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$169,146)	(\$70,010)	(\$205,545)	(\$281,285)	\$252,114
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	7,400		95		78
39 Interest Income	42,967	28,278	15,673	30,427	41,665
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	231,008	182,355	(47,447)	25,744	263,887
44 Other Non-Operating Income	18,254	28,093	21,253	(55,911)	(145,243)
45 Special Charges	4,683	3,098	3,613	6,031	7,949
46 Total Non-Operating Income & Expenses	294,946	235,628	(14,039)	(5,771)	152,438
NON-OPERATING TAXES					
47 Federal Income Taxes	17,587	13,934	6,194	(20,482)	(49,088)
48 Other					
49 Total Non-Operating Taxes	17,587	13,934	6,194	(20,482)	(49,088)
50 Income Available Before Interest Charges	108,213	151,684	(225,778)	(266,574)	453,640
INTEREST CHARGES					
51 Interest on Funded Debt	26,080	29,248	47,974	61,925	64,653
52 Other Interest Expense	233	233	2,764	2,922	20,497
53 Total Interest Charges	26,313	29,481	50,738	64,847	85,150
54 Income Before Extraordinary & Nonreg Items	81,900	122,203	(276,516)	(331,421)	368,490
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$81,900	\$122,203	(\$276,516)	(\$331,421)	\$368,490
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$497,036	\$341,841	\$533,120	\$933,574	\$1,111,537
60 Transferred from Income	(149,108)	(60,152)	(229,069)	(357,165)	104,603
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	(354,713)	215,347	37,790	(43,289)	(282,566)
65 Ending Year Balance	(6,785)	497,036	341,841	533,120	933,574
66 Appropriated/Undistr Affiliate Retained Earnings	3,441,137	3,210,129	3,027,774	3,075,221	3,049,477
67 Total Retained Earnings	\$3,434,352	\$3,707,165	\$3,369,615	\$3,608,341	\$3,983,051

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$3,933	\$42,053	\$128,098	\$115,986	\$357,572
2 Accounts Receivable (Net)	676,419	598,086	370,223	296,236	982,538
3 Current Deferred Income Taxes					
4 Other Current Assets	169,026	188,155	189,347	212,929	256,903
5 Total Current Assets	849,378	828,294	687,668	625,151	1,597,013
NON-CURRENT ASSETS					
6 Investments	896,137	568,937	1,024,964	939,587	378,907
7 Unamortized Debt Issuance Costs	5,081	5,903	6,895	8,014	9,132
8 Deferred Charges					-
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	872,364	778,359	679,723	644,451	471,853
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,773,582	1,353,199	1,711,582	1,592,052	859,892
REGULATED PLANT					
13 Total Telecommunications Plant	9,921,034	9,860,287	9,852,205	9,988,951	11,366,583
14 Less: Accumulated Depr and Amort.	8,135,383	7,844,470	7,573,937	7,491,166	8,647,472
15 Net Regulated Plant	1,785,650	2,015,817	2,278,268	2,497,785	2,719,111
16 Total Assets & Other Debits	\$4,408,610	\$4,197,310	\$4,677,518	\$4,714,988	\$5,176,016
CURRENT LIABILITIES					
17 Accounts Payable	\$562,337	\$645,485	\$508,217	\$202,622	\$194,235
18 Notes Payable	934,207	31,387	49,890	27,205	37,338
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	177,830	168,395	180,100	239,263	223,045
22 Current Deferred Income Taxes					
23 Other Current Liabilities	188,495	156,088	172,521	141,966	(1,227)
24 Total Current Liabilities	1,862,869	1,001,355	910,728	611,056	453,391
LONG-TERM DEBT					
25 Long-Term Debt	1,119,713	1,148,343	1,316,784	1,498,984	1,741,894
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	235,401	270,780	289,363	299,033	272,870
28 Other Deferred Credits	535,786	650,107	782,353	905,649	1,051,112
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	771,187	920,887	1,071,716	1,204,682	1,323,982
STOCKHOLDER'S EQUITY					
32 Common Stock	41,000	41,000	41,000	41,000	41,000
33 Preferred Stock	100,000	100,000	100,000	100,000	100,000
34 Other Paid in Capital	(186,518)		(682,108)	(682,108)	(682,108)
35 Retained Earnings	700,358	985,724	1,919,398	1,941,374	2,197,857
36 Total Stockholder's Equity	654,840	1,126,724	1,378,290	1,400,266	1,656,749
37 Total Liab. and Stockholder's Equity	\$4,408,610	\$4,197,309	\$4,677,518	\$4,714,988	\$5,176,016

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$537,768	\$585,320	\$605,797	\$667,164	\$466,266	1
Network Access Services	658,793	686,712	1,464,435	1,505,914	1,853,337	2
Long Distance Network Services	194,271	390,405				3
Miscellaneous Revenues	70,239	89,638	101,530	128,396	163,194	4
Less: Uncollectible Revenues	(16)	5,815	14,575	23,941	25,431	5
Total Operating Revenues	1,461,087	1,746,260	2,157,188	2,277,533	2,457,366	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,973	18,013	12,455	8,418	10,102	7
General Support Expenses	177,114	140,801	217,813	247,348	280,896	8
Central Office Switching	174,486	247,228	274,221	286,700	318,012	9
Operator Systems Expense						10
Central Office Transmission	46,268	26,893	17,558	31,290	52,340	11
Info. Origination/Termination	37,637	8,731	8,164	12,464	19,639	12
Cable & Wire Facilities	57,327	94,228	124,295	285,543	251,536	13
Total Plant Specific Operations	495,806	535,894	654,507	871,763	932,525	14
Other Plant, Property & Equipment	2,020	194	(724)	754	551	15
Network Operations	63,331	100,034	191,728	224,149	228,333	16
Access Expense	34,247	38,588	31,283	25,204	25,059	17
Depreciation and Amortization	261,668	257,511	259,412	265,627	410,645	18
Total Plant Non-Specific Operations	361,265	396,327	481,699	515,734	664,588	19
Marketing Expense	2,868	2,057	2,485	1,713	6,723	20
Services Expense	217,570	217,503	223,290	254,211	260,085	21
Total Customer Operations	220,438	219,560	225,775	255,924	266,808	22
Executive & Planning	178,586	304,143	126,714	152,263	177,340	23
General & Administrative	326,944	340,554	534,711	513,012	549,811	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	505,530	644,697	661,425	665,275	727,150	27
Total Operations Expense	1,583,039	1,796,478	2,023,406	2,308,696	2,591,071	28
Other Operating Income & Expenses			4,010		12,500	29
State & Local Income Taxes						30
Other Taxes	125,670	133,788	139,883	151,966	147,005	31
Net Operating Income Before FIT	(247,622)	(184,006)	(2,091)	(183,129)	(268,210)	32
Investment Tax Credits - Net						33
Federal Income Taxes		17,621	117	1,377	(131,118)	34
Provision - Def. Operating Income Taxes - Net	(125,774)	(116,787)	(54,578)	(105,690)	11,574	35
Net Operating Income	(\$121,848)	(\$84,840)	\$52,370	(\$78,816)	(\$148,666)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$121,848)	(\$84,840)	\$52,370	(\$78,816)	(\$148,666)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income			43	79	11,703
39 Interest Income	61	346	628	6,295	12,420
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(28,510)	(440,601)	75,168	(6,380)	182,381
44 Other Non-Operating Income	(1,430)			(1,614)	5,720
45 Special Charges	14,733	15,915	14,116	16,167	16,087
46 Total Non-Operating Income & Expenses	(44,612)	(456,170)	61,723	(17,787)	196,139
NON-OPERATING TAXES					
47 Federal Income Taxes	(1,057)	(432)	1,422	947	5,551
48 Other			840	903	1,780
49 Total Non-Operating Taxes	(1,057)	(432)	2,262	1,850	7,331
50 Income Available Before Interest Charges	(165,403)	(540,578)	111,830	(98,453)	40,142
INTEREST CHARGES					
51 Interest on Funded Debt	71,517	83,332	97,404	112,085	125,921
52 Other Interest Expense	42,445	13,743	28,336	16,577	35,544
53 Total Interest Charges	113,962	97,075	125,740	128,662	161,465
54 Income Before Extraordinary & Nonreg Items	(279,365)	(637,653)	(13,909)	(227,115)	(121,323)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$279,365)	(\$637,653)	(\$13,909)	(\$227,115)	(\$121,323)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,537,792	\$2,030,866	\$2,128,011	\$2,378,114	\$2,689,885
60 Transferred from Income	(250,854)	(197,053)	(89,077)	(242,036)	(303,704)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	6,000	6,000	6,000	6,000	6,000
63 Common Stock		1,034	2,067	2,067	2,067
64 Adjustments		(288,987)			
65 Ending Year Balance	1,280,938	1,537,792	2,030,866	2,128,011	2,378,114
66 Appropriated/Undistr Affiliate Retained Earnings	(580,580)	(552,070)	(111,469)	(186,637)	(180,257)
67 Total Retained Earnings	\$700,358	\$985,722	\$1,919,397	\$1,941,374	\$2,197,857

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments			(\$1,532)	(\$5,041)	\$18,736
2 Accounts Receivable (Net)	\$1,727,791	\$1,589,578	1,598,620	2,064,627	2,474,830
3 Current Deferred Income Taxes					
4 Other Current Assets					
5 Total Current Assets	1,727,791	1,589,578	1,597,088	2,059,585	2,493,566
NON-CURRENT ASSETS					
6 Investments	30,590,310	26,026,093	23,642,508	21,828,996	19,023,476
7 Unamortized Debt Issuance Costs			4,550	14,810	25,070
8 Deferred Charges	864,879	864,879	864,845	864,879	864,879
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	129,110	129,110	129,110	129,110	129,110
12 Total Non-Current Assets	31,584,299	27,020,082	24,641,012	22,837,795	20,042,534
REGULATED PLANT					
13 Total Telecommunications Plant	48,286,747	47,619,193	47,030,296	46,510,739	45,806,661
14 Less: Accumulated Depr and Amort.	39,885,623	37,928,414	35,826,592	33,756,769	31,762,567
15 Net Regulated Plant	8,401,124	9,690,779	11,203,704	12,753,970	14,044,094
16 Total Assets & Other Debits	\$41,713,214	\$38,300,439	\$37,441,804	\$37,651,351	\$36,580,195
CURRENT LIABILITIES					
17 Accounts Payable	\$6,155,130	\$2,702,201	\$1,185,725	\$1,271,553	\$1,148,658
18 Notes Payable					
19 Advanced Billings	115,795	117,210	140,828	141,332	304,210
20 Customer Deposits					(8,517)
21 Current Maturities - Long-Term Debt		143,148	670,379	630,693	594,553
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(54,274)	(41,460)	105,286	86,040	56,075
24 Total Current Liabilities	6,216,652	2,921,099	2,102,217	2,129,618	2,094,979
LONG-TERM DEBT					
25 Long-Term Debt		359,477	502,624	1,172,862	1,803,554
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,897,477	2,976,149	3,054,821	3,133,493	2,969,164
28 Other Deferred Credits	46,284	44,079	47,063	48,972	47,146
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	2,943,761	3,020,228	3,101,884	3,182,465	3,016,310
STOCKHOLDER'S EQUITY					
32 Common Stock	2,007,694	2,007,694	2,007,694	2,007,694	2,007,694
33 Preferred Stock					
34 Other Paid in Capital	196,769	196,769	196,769	196,769	196,769
35 Retained Earnings	30,348,338	29,795,171	29,530,616	28,961,942	27,460,888
36 Total Stockholder's Equity	32,552,801	31,999,634	31,735,079	31,166,405	29,665,351
37 Total Liab. and Stockholder's Equity	\$41,713,214	\$38,300,439	\$37,441,804	\$37,651,351	\$36,580,195

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$3,424,300	\$3,586,814	\$3,632,998	\$3,931,949	\$4,103,996	1
Network Access Services	2,739,148	2,826,636	2,976,182	3,289,929	3,260,619	2
Long Distance Network Services	9,568	11,870	16,955	23,414	25,526	3
Miscellaneous Revenues	1,327,747	1,256,253	1,423,216	1,411,068	1,254,378	4
Less: Uncollectible Revenues	65,148	55,045	29,749	(117,455)	128,901	5
Total Operating Revenues	7,435,614	7,626,528	8,019,602	8,773,815	8,515,619	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(596)	93	15,044	1	147	7
General Support Expenses	388,024	583,123	467,981	428,952	450,144	8
Central Office Switching	334,918	353,322	333,755	322,983	295,858	9
Operator Systems Expense	863	7,502	8,786	6,397	4,763	10
Central Office Transmission	25,875	58,226	34,183	30,186	56,381	11
Info. Origination/Termination	133,434	161,395	99,063	109,409	58,382	12
Cable & Wire Facilities	544,499	529,515	557,128	458,079	495,334	13
Total Plant Specific Operations	1,427,016	1,693,176	1,515,940	1,356,007	1,361,009	14
Other Plant, Property & Equipment	(844)	(23)	5	138	289	15
Network Operations	738,901	616,240	569,049	555,354	480,617	16
Access Expense	194,668	232,884	191,114	229,788	182,154	17
Depreciation and Amortization	2,076,675	2,158,526	2,128,298	2,095,799	2,079,198	18
Total Plant Non-Specific Operations	3,009,400	3,007,627	2,888,466	2,881,078	2,742,258	19
Marketing Expense	319,068	332,587	258,382	146,337	116,009	20
Services Expense	643,952	788,008	652,005	619,641	571,172	21
Total Customer Operations	963,020	1,120,595	910,388	765,979	687,180	22
Executive & Planning	83,519	125,056	204,667	94,317	67,268	23
General & Administrative	484,682	825,293	951,352	498,329	417,603	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	568,200	950,349	1,156,019	592,645	484,871	27
Total Operations Expense	5,967,636	6,771,747	6,470,813	5,595,709	5,275,319	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	611,984	450,356	627,711	689,284	673,155	31
Net Operating Income Before FIT	855,994	404,425	921,078	2,488,822	2,567,145	32
Investment Tax Credits - Net						33
Federal Income Taxes	271,940	(162,766)	364,216	480,493	1,172,914	34
Provision - Def. Operating Income Taxes - Net	(263,734)	59,032	(337,464)	157,938	(78,677)	35
Net Operating Income	\$847,788	\$508,159	\$894,326	\$1,850,391	\$1,472,908	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$847,788	\$508,159	\$894,326	\$1,850,391	\$1,472,908
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	2	6,417	3,043	12,866	18,634
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					633,133
45 Special Charges	9,368	3,503	4,121	2,025	772
46 Total Non-Operating Income & Expenses	(9,366)	2,914	(1,078)	10,841	650,995
NON-OPERATING TAXES					
47 Federal Income Taxes	271,813	185,925	218,442	218,047	
48 Other					
49 Total Non-Operating Taxes	271,813	185,925	218,442	218,047	
50 Income Available Before Interest Charges	566,609	325,148	674,806	1,643,185	2,123,903
INTEREST CHARGES					
51 Interest on Funded Debt	13,441	56,046	95,872	131,870	166,448
52 Other Interest Expense		4,550	10,260	10,261	(15,537)
53 Total Interest Charges	13,441	60,596	106,132	142,131	150,911
54 Income Before Extraordinary & Nonreg Items	553,167	264,552	568,674	1,501,054	1,972,992
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	832,548	700,810	730,270		
57 Total Extraordinary & Nonregulated Items	832,548				
58 Net Income	\$1,385,716	\$264,552	\$568,674	\$1,501,054	\$1,972,992
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$29,795,168	\$29,530,616	\$28,961,942	\$27,460,888	\$25,487,896
60 Transferred from Income	553,167	264,552	568,674	1,501,054	1,972,992
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	30,348,336	29,795,168	29,530,616	28,961,942	27,460,888
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$30,348,336	\$29,795,171	\$29,530,616	\$28,961,942	\$27,460,888

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$914,633	\$538,817	\$1,014,303	\$1,039,444	\$1,408,019
2 Accounts Receivable (Net)	1,948,165	1,645,142	1,515,190	1,129,383	1,209,751
3 Current Deferred Income Taxes					
4 Other Current Assets	1,997,190	471,374	285,525	232,006	234,896
5 Total Current Assets	4,859,988	2,655,333	2,815,018	2,400,833	2,852,666
NON-CURRENT ASSETS					
6 Investments	4,701,154	5,623,624	5,297,562	5,055,119	4,109,775
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					104,782
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	862,443	682,379	622,861	537,839	561,920
11 Other Non-Current Assets	2,690,401	3,237,147	3,118,121	3,010,719	2,726,788
12 Total Non-Current Assets	8,253,998	9,543,150	9,038,544	8,603,677	7,503,265
REGULATED PLANT					
13 Total Telecommunications Plant	13,610,053	13,823,094	13,784,397	15,335,235	15,307,937
14 Less: Accumulated Depr and Amort.	9,662,606	9,696,016	9,238,403	10,289,963	9,674,772
15 Net Regulated Plant	3,947,447	4,127,078	4,545,994	5,045,272	5,633,165
16 Total Assets & Other Debits	\$17,061,433	\$16,325,561	\$16,399,556	\$16,049,782	\$15,989,096
CURRENT LIABILITIES					
17 Accounts Payable	\$171,611	\$173,797	\$207,918	\$169,278	\$222,163
18 Notes Payable					
19 Advanced Billings	83,081	90,320	98,872	96,971	94,547
20 Customer Deposits	750	750	750	750	825
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	2,384,372	1,700,344	1,472,524	737,994	1,080,898
24 Total Current Liabilities	2,639,814	1,965,211	1,780,064	1,004,993	1,398,433
LONG-TERM DEBT					
25 Long-Term Debt	3,418,941	3,348,800	3,687,392	3,895,443	4,503,467
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,343,833	994,080	965,912	947,592	582,260
28 Other Deferred Credits	244,807	259,110	304,739	350,370	280,208
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	46,000	98,000	150,000	202,000	255,000
31 Total Other Liab. and Def. Credits	1,634,640	1,351,190	1,420,651	1,499,962	1,117,468
STOCKHOLDER'S EQUITY					
32 Common Stock	85,100	85,100	85,100	85,100	85,100
33 Preferred Stock	28,150	33,150	33,350	34,750	34,850
34 Other Paid in Capital	(2,586,620)	(2,369,939)	(2,311,801)	(2,032,142)	(2,851,603)
35 Retained Earnings	11,841,408	11,912,049	11,704,800	11,561,676	11,701,381
36 Total Stockholder's Equity	9,368,038	9,660,360	9,511,449	9,649,384	8,969,728
37 Total Liab. and Stockholder's Equity	\$17,061,433	\$16,325,561	\$16,399,556	\$16,049,782	\$15,989,096

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$636,211	\$744,043	\$807,829	\$739,441	\$703,676	1
Network Access Services	1,362,482	1,382,711	1,390,064	1,387,302	1,551,444	2
Long Distance Network Services	242,330	242,372	230,263	81,887	3,569	3
Miscellaneous Revenues	130,023	466,594	983,660	243,721	539,868	4
Less: Uncollectible Revenues		15,643	1,440		506	5
Total Operating Revenues	2,371,046	2,820,077	3,410,376	2,452,351	2,798,051	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,947	4,477	7,343	15,029	15,811	7
General Support Expenses	126,014	131,294	121,051	122,466	140,347	8
Central Office Switching	161,087	133,790	123,395	107,692	106,548	9
Operator Systems Expense						10
Central Office Transmission	219,815	209,235	160,221	179,982	212,636	11
Info. Origination/Termination	10,568	11,052	7,646	16,754	27,036	12
Cable & Wire Facilities	79,250	330,281	706,391	177,570	354,281	13
Total Plant Specific Operations	599,681	820,129	1,126,047	619,493	856,659	14
Other Plant, Property & Equipment						15
Network Operations	177,587	221,989	214,278	182,922	170,759	16
Access Expense	51,349	49,237	49,411	42,175	44,261	17
Depreciation and Amortization	569,901	555,350	586,851	606,765	711,121	18
Total Plant Non-Specific Operations	798,837	826,576	850,540	831,862	926,141	19
Marketing Expense	10,110	9,262	8,013	14,503	14,002	20
Services Expense	216,103	204,155	217,358	226,637	270,870	21
Total Customer Operations	226,213	213,417	225,371	241,140	284,872	22
Executive & Planning	140,886	186,586	160,624	158,878	181,937	23
General & Administrative	471,597	490,765	493,022	481,137	597,839	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	612,483	677,351	653,646	640,015	779,776	27
Total Operations Expense	2,237,214	2,537,473	2,855,604	2,332,510	2,847,448	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	214,451	210,129	211,266	218,124	218,582	31
Net Operating Income Before FIT	(80,619)	72,475	343,506	(98,283)	(267,979)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(11,269)	5,144	5,738	(61,930)	(242,008)	34
Provision - Def. Operating Income Taxes - Net	269,310	(7,687)	16,339	(114,120)	73,378	35
Net Operating Income	(\$338,660)	\$75,018	\$321,429	\$77,767	(\$99,349)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$338,660)	\$75,018	\$321,429	\$77,767	(\$99,349)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	116,882	67,769	23,572	23,763	32,066
39 Interest Income	204,395	158,078	165,948	153,796	171,835
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					3,420
43 Equity in Earnings of Affiliated Companies	(27,200)	115,652	90,425	153,048	86,044
44 Other Non-Operating Income	146,708	(57,184)	(21,787)	(120,142)	(8,546)
45 Special Charges	(32,393)	(23,016)	9,777	235,051	33,941
46 Total Non-Operating Income & Expenses	473,178	307,331	248,381	(24,586)	250,878
NON-OPERATING TAXES					
47 Federal Income Taxes	28,280	1,696	80,071	(32,075)	67,647
48 Other					
49 Total Non-Operating Taxes	28,280	1,696	80,071	(32,075)	67,647
50 Income Available Before Interest Charges	106,238	380,653	489,739	85,256	83,882
INTEREST CHARGES					
51 Interest on Funded Debt	173,213	169,334	342,738	220,903	256,559
52 Other Interest Expense	78	284	64	170	41
53 Total Interest Charges	173,291	169,618	342,802	221,073	256,600
54 Income Before Extraordinary & Nonreg Items	(67,053)	211,035	146,937	(135,817)	(172,718)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$67,053)	\$211,035	\$146,937	(\$135,817)	(\$172,718)

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,332,946	\$9,241,349	\$9,188,650	\$9,481,403	\$9,744,053
60 Transferred from Income	(39,853)	95,383	56,512	(288,865)	(258,762)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	1,791	1,989	2,016	2,091	2,091
63 Common Stock	1,797	1,797	1,797	1,797	1,797
64 Adjustments					
65 Ending Year Balance	9,289,505	9,332,946	9,241,349	9,188,650	9,481,403
66 Appropriated/Undistr Affiliate Retained Earnings	2,551,903	2,579,103	2,463,451	2,373,026	2,219,978
67 Total Retained Earnings	\$11,841,408	\$11,912,049	\$11,704,800	\$11,561,676	\$11,701,381

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

	2012	2011	2010	2009	2008	2007
CURRENT ASSETS						
1 Cash and Temporary Cash Investments	\$431,099	\$356,302	\$664,568	\$310,926	\$290,331	\$690,752
2 Accounts Receivable (Net)	3,652,004	3,662,148	2,788,734	2,283,622	1,860,472	1,505,115
3 Current Deferred Income Taxes						
4 Other Current Assets	346,980	357,968	374,078	368,388	390,489	401,218
5 Total Current Assets	4,430,083	4,376,418	3,827,380	2,962,936	2,541,291	2,597,085
NON-CURRENT ASSETS						
6 Investments	196,085	147,603	132,201	144,151	136,228	105,046
7 Unamortized Debt Issuance Costs		1,200	2,400	3,600	4,800	6,000
8 Deferred Charges						
9 Other Jurisdictional Assets - Net						
10 Non-Current Deferred Income Taxes	577,195	583,430	634,225	589,463	489,415	563,375
11 Other Non-Current Assets	1,679,888	1,649,756	1,715,653	2,255,350	2,093,530	2,500,049
12 Total Non-Current Assets	2,453,168	2,381,989	2,484,479	2,992,564	2,723,973	3,174,470
REGULATED PLANT						
13 Total Telecommunications Plant	12,840,049	12,947,758	12,848,605	12,520,417	12,359,059	12,106,623
14 Less: Accumulated Depr and Amort.	5,838,830	5,747,843	5,206,547	4,596,333	4,033,379	3,475,124
15 Net Regulated Plant	7,001,219	7,199,915	7,642,058	7,924,084	8,325,680	8,631,499
16 Total Assets & Other Debits	\$13,884,470	\$13,958,322	\$13,953,917	\$13,879,584	\$13,590,944	\$14,403,053
CURRENT LIABILITIES						
17 Accounts Payable	\$251,614	\$79,964	\$84,822	\$136,301	\$126,311	\$382,469
18 Notes Payable	97,275	141,851	162,864	239,388	239,215	240,375
19 Advanced Billings	369,482	434,968	464,958	118,691	131,362	131,625
20 Customer Deposits						
21 Current Maturities - Long-Term Debt	154,899	154,899	154,899	206,532	206,532	206,532
22 Current Deferred Income Taxes			33,134			
23 Other Current Liabilities	531,764	518,471	505,523	518,592	525,172	541,768
24 Total Current Liabilities	1,405,034	1,330,153	1,406,200	1,219,503	1,228,592	1,502,769
LONG-TERM DEBT						
25 Long-Term Debt	413,052	671,217	826,116	1,032,648	1,239,180	1,445,712
OTHER LIAB. & DEFERRED CREDITS						
26 Unamortized ITC						
27 Non-Current Deferred Taxes	1,881,929	1,893,886	1,846,101	1,854,734	1,651,696	1,787,140
28 Other Deferred Credits	448,117	415,181	341,666	247,052	245,719	170,847
29 Other Jurisdictional Differences - Net						
30 Other Liabilities	370,308	334,447	377,629	369,768	279,604	620,540
31 Total Other Liab. and Def. Credits	2,700,354	2,643,514	2,565,396	2,471,554	2,177,019	2,578,527
STOCKHOLDER'S EQUITY						
32 Common Stock	115,000	115,000	115,000	115,000	115,000	115,000
33 Preferred Stock						
34 Other Paid in Capital	(1,334,209)	(1,388,418)	(1,398,151)	(1,463,952)	(1,596,853)	(1,541,392)
35 Retained Earnings	10,585,239	10,586,858	10,439,356	10,504,830	10,428,007	10,302,437
36 Total Stockholder's Equity	9,366,030	9,313,440	9,156,205	9,155,878	8,946,154	8,876,045
37 Total Liab. and Stockholder's Equity	\$13,884,470	\$13,958,323	\$13,953,917	\$13,879,584	\$13,590,944	\$14,403,053

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

INCOME STATEMENT	2012	2011	2010	2009	2008	2007
TELEPHONE OPERATING REVENUES						
Local Network Services	\$647,669	\$648,937	\$646,084	\$733,704	\$770,004	\$846,354
Network Access Services	2,320,375	2,474,188	2,136,550	2,188,001	2,029,500	1,903,744
Long Distance Network Services						
Miscellaneous Revenues	477,210	497,142	527,672	569,125	577,827	601,642
Less: Uncollectible Revenues	5,492	10,137	14,045	9,887	8,316	21,428
Total Operating Revenues	3,439,762	3,610,130	3,296,261	3,480,943	3,369,015	3,330,312
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	596	3,274	6,075	4,146	4,983	14,740
General Support Expenses	228,678	206,940	201,644	215,864	187,933	151,098
Central Office Switching	321,270	261,490	291,206	315,439	357,353	267,525
Operator Systems Expense						
Central Office Transmission	68,907	69,244	68,153	105,073	61,548	116,388
Info. Origination/Termination	57,645	56,723	73,391	60,919	58,057	62,524
Cable & Wire Facilities	174,643	194,919	156,761	181,360	219,940	237,847
Total Plant Specific Operations	851,738	792,590	797,230	882,801	889,814	850,122
Other Plant, Property & Equipment	0	737	450	1	(132)	
Network Operations	492,959	391,896	376,075	247,135	215,854	113,812
Access Expense	91,598	83,781	78,170	70,576	70,860	69,534
Depreciation and Amortization	594,276	601,433	599,124	592,098	586,010	510,884
Total Plant Non-Specific Operations	1,178,833	1,077,847	1,053,819	909,810	872,592	694,230
Marketing Expense	98,554	121,645	76,779	70,431	85,794	144,210
Services Expense	273,413	300,111	340,956	319,150	370,742	509,366
Total Customer Operations	371,967	421,756	417,735	389,581	456,536	653,576
Executive & Planning	289,994	270,802	298,673	244,259	221,437	246,716
General & Administrative	639,754	615,777	608,696	496,581	468,124	429,865
Provision - Uncollectible Notes Rec.						
Other						
Total Corporate Operations	929,747	886,579	907,369	740,840	689,561	676,581
Total Operations Expense	3,332,285	3,178,772	3,176,153	2,923,032	2,908,503	2,874,509
Other Operating Income & Expenses			(5)			4,833
State & Local Income Taxes						
Other Taxes	157,820	162,480	155,480	244,892	259,494	253,169
Net Operating Income Before FIT	(50,343)	268,878	(35,377)	313,019	201,018	207,467
Investment Tax Credits - Net						
Federal Income Taxes			9,459	8,151	4,694	(620)
Provision - Def. Operating Income Taxes - Net	(22,763)	73,308	(33,554)	(28,744)	(33,538)	25,600
Net Operating Income	(\$27,580)	\$195,570	(\$11,282)	\$333,612	\$229,862	\$182,487

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

	2012	2011	2010	2009	2008	2007
37 Net Operating Income	(\$27,580)	\$195,570	(\$11,282)	\$333,612	\$229,862	\$182,487
NON-OPERATING INCOME & EXPENSES						
38 Dividend Income	12,420	13,532	14,875	16,102	14,293	5,500
39 Interest Income	13,355	15,426	17,946	13,957	27,026	33,482
40 Income - Sinking and Other Funds						
41 Allowance for Funds Used During Construction	5,228	4,285	3,341	2,991	5,892	44,441
42 Gains/Losses - Disposal of Property						
43 Equity in Earnings of Affiliated Companies	48,482	16,588	(8,136)	2,923	31,182	16,662
44 Other Non-Operating Income	47,484	37,229	39,027	(95,763)	(39,770)	206,779
45 Special Charges	(4,592)	23,593	6,391	(1,035)	(1,371)	41,258
46 Total Non-Operating Income & Expenses	131,561	63,467	60,662	(58,755)	39,994	265,606
NON-OPERATING TAXES						
47 Federal Income Taxes			155	59,150	(4,694)	620
48 Other	16,046	12,307				
49 Total Non-Operating Taxes	16,046	12,307	155	59,150	(4,694)	620
50 Income Available Before Interest Charges	87,935	246,730	49,225	215,707	274,550	447,473
INTEREST CHARGES						
51 Interest on Funded Debt	35,537	47,603	59,882	72,699	88,535	115,423
52 Other Interest Expense	4,945	7,697	11,131	17,373	16,979	17,037
53 Total Interest Charges	40,482	55,300	71,013	90,072	105,514	132,460
54 Income Before Extraordinary & Nonreg Items	47,452	191,430	(21,788)	125,635	169,036	315,013
EXTRAORDINARY & NONREG ITEMS						
55 Extraordinary Items						
56 Nonregulated Revenues						
57 Total Extraordinary & Nonregulated Items						
58 Net Income	\$47,452	\$191,430	(\$21,788)	\$125,635	\$169,036	\$315,013
RETAINED EARNINGS STATEMENT						
Unappropriated Retained Earnings:						
59 Beginning Year Balance	\$10,863,514	\$10,716,012	\$10,781,486	\$10,704,663	\$10,579,093	\$10,363,691
60 Transferred from Income	(1,026)	174,842	(13,652)	122,712	137,854	315,013
61 Appropriations						
Dividends Declared:						
62 Preferred Stock						
63 Common Stock	49,073	43,928	43,686	43,531	43,466	70,829
64 Adjustments	(48,480)	16,588	(8,135)	(2,357)	31,182	(28,782)
65 Ending Year Balance	10,861,896	10,863,514	10,716,012	10,781,486	10,704,663	10,579,093
66 Appropriated/Undistr Affiliate Retained Earnings	(276,656)	(276,656)	(276,656)	(276,656)	(276,656)	(276,656)
67 Total Retained Earnings	\$10,585,240	\$10,586,858	\$10,439,356	\$10,504,830	\$10,428,007	\$10,302,437

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$788,166	\$774,775	\$756,172	\$1,611,138	\$1,646,859
2 Accounts Receivable (Net)	31,342	43,901	119,295	54,369	39,466
3 Current Deferred Income Taxes					
4 Other Current Assets	8,057	8,680	9,446	6,432	7,296
5 Total Current Assets	827,565	827,356	884,913	1,671,939	1,693,621
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets					
REGULATED PLANT					
13 Total Telecommunications Plant	1,560,656	1,551,816	1,491,894	1,734,756	1,557,036
14 Less: Accumulated Depr and Amort.	794,646	723,973	636,427	1,134,953	1,035,205
15 Net Regulated Plant	766,010	827,843	855,467	599,803	521,831
16 Total Assets & Other Debits	\$1,593,575	\$1,655,199	\$1,740,380	\$2,271,742	\$2,215,452
CURRENT LIABILITIES					
17 Accounts Payable	\$42,538	\$49,439	48,201	\$41,379	\$37,737
18 Notes Payable					
19 Advanced Billings	4,407	4,679	4,947	4,804	4,878
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes	(1,311)	(1,852)	103	(1,209)	(3,531)
23 Other Current Liabilities	35,709	90,672	19,064	38,074	11,321
24 Total Current Liabilities	81,343	142,938	72,315	83,048	50,405
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	175,908	172,012	178,672	122,029	146,836
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(49,988)	(43,139)	(42,768)	(39,441)	(46,831)
31 Total Other Liab. and Def. Credits	125,920	128,873	135,904	82,588	100,005
STOCKHOLDER'S EQUITY					
32 Common Stock	1,490	1,490	1,490	1,490	1,490
33 Preferred Stock					
34 Other Paid in Capital	26,659	23,078	21,865	20,629	28,162
35 Retained Earnings	1,358,163	1,358,820	1,508,806	2,083,987	2,035,390
36 Total Stockholder's Equity	1,386,312	1,383,388	1,532,161	2,106,106	2,065,042
37 Total Liab. and Stockholder's Equity	\$1,593,575	\$1,655,199	\$1,740,380	\$2,271,742	\$2,215,452

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$111,985	\$143,590	\$160,185	\$181,083	\$204,995	1
Network Access Services	140,402	181,247	177,722	151,987	121,868	2
Long Distance Network Services						3
Miscellaneous Revenues	104,214	108,377	103,774	96,115	97,672	4
Less: Uncollectible Revenues	9,741	4,721	(2,866)	(2,972)	7,421	5
Total Operating Revenues	346,860	428,493	444,547	432,157	417,114	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	2,216	408	347	649	2,396	7
General Support Expenses	19,455	23,308	24,501	27,455	8,857	8
Central Office Switching	3,954	5,115	7,533	9,950	3,502	9
Operator Systems Expense						10
Central Office Transmission	16,201	14,143	2,914	2,093	1,902	11
Info. Origination/Termination	9,508	17,525	15,691	16,544	17,524	12
Cable & Wire Facilities	36,285	100,363	41,035	18,411	14,045	13
Total Plant Specific Operations	87,619	160,862	92,021	75,102	48,226	14
Other Plant, Property & Equipment						15
Network Operations	40,017	31,623	32,667	35,762	41,374	16
Access Expense	1,476	3,819	3,896	3,527	5,531	17
Depreciation and Amortization	78,404	106,226	96,163	87,805	53,696	18
Total Plant Non-Specific Operations	119,897	141,668	132,726	127,094	100,601	19
Marketing Expense	27,232	24,347	25,052	26,764	28,105	20
Services Expense	19,497	21,017	22,579	29,936	35,562	21
Total Customer Operations	46,729	45,364	47,631	56,700	63,667	22
Executive & Planning	10,117	12,700	12,480	9,624	7,569	23
General & Administrative	60,655	62,440	66,074	66,839	72,163	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	70,772	75,140	78,554	76,463	79,732	27
Total Operations Expense	325,017	423,034	350,932	335,359	292,226	28
Other Operating Income & Expenses				315		29
State & Local Income Taxes						30
Other Taxes	25,731	26,733	25,268	32,357	31,552	31
Net Operating Income Before FIT	(3,888)	(21,274)	68,347	64,756	93,336	32
Investment Tax Credits - Net						33
Federal Income Taxes	(3,870)	(1,175)	(32,024)	45,407	40,117	34
Provision - Def. Operating Income Taxes - Net	2,509	(5,787)	55,986	(22,711)	(5,718)	35
Net Operating Income	(\$2,527)	(\$14,312)	\$44,385	\$42,060	\$58,937	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$2,527)	(\$14,312)	\$44,385	\$42,060	\$58,937
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	3,143	4,755	5,972	10,308	38,555
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges	254	(35,162)	25,289	205	203
46 Total Non-Operating Income & Expenses	2,889	39,917	(19,317)	10,103	38,352
NON-OPERATING TAXES					
47 Federal Income Taxes	1,018	13,590	(6,751)	3,566	13,401
48 Other					
49 Total Non-Operating Taxes	1,018	13,590	(6,751)	3,566	13,401
50 Income Available Before Interest Charges	(656)	12,015	31,819	48,597	83,888
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	1	1			142
53 Total Interest Charges	1	1			142
54 Income Before Extraordinary & Nonreg Items	(657)	12,014	31,819	48,597	83,746
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$657)	\$12,014	\$31,819	\$48,597	\$83,746
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,358,820	\$1,508,806	\$2,083,987	\$2,035,390	\$1,951,644
60 Transferred from Income	(657)	12,014	31,819	48,597	83,746
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		162,000	607,000		
64 Adjustments					
65 Ending Year Balance	1,358,163	1,358,820	1,508,806	2,083,987	2,035,390
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,358,163	\$1,358,820	\$1,508,806	\$2,083,987	\$2,035,390

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$502,331	\$425,289	\$664,902	\$680,178	\$457,328
2 Accounts Receivable (Net)	82,479	325,566	133,657	94,689	105,194
3 Current Deferred Income Taxes					
4 Other Current Assets	132,502	112,996	140,479	137,743	206,417
5 Total Current Assets	717,312	863,851	939,037	912,610	768,939
NON-CURRENT ASSETS					
6 Investments	218,385	262,218			
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	81,471				
11 Other Non-Current Assets					
12 Total Non-Current Assets	299,856	262,218			
REGULATED PLANT					
13 Total Telecommunications Plant	4,065,141	3,919,466	4,786,964	4,823,738	4,794,085
14 Less: Accumulated Depr and Amort.	3,692,078	3,521,514	4,266,680	4,089,455	3,756,550
15 Net Regulated Plant	373,063	397,953	520,283	734,282	1,037,535
16 Total Assets & Other Debits	\$1,390,232	\$1,524,021	\$1,459,320	\$1,646,892	\$1,806,474
CURRENT LIABILITIES					
17 Accounts Payable	\$90,222	\$106,928	\$34,172	\$32,755	\$40,184
18 Notes Payable					
19 Advanced Billings	4,587	46,881	3,404	2,878	10,582
20 Customer Deposits	662	539	368	270	250
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	33,157	41,581	36,856	35,902	12,052
24 Total Current Liabilities	128,629	195,929	74,799	71,805	63,068
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC				163	291
27 Non-Current Deferred Taxes		143,470	210,889	258,899	315,535
28 Other Deferred Credits			3,436	8,018	12,600
29 Other Jurisdictional Differences - Net					
30 Other Liabilities		0	(14,334)		
31 Total Other Liab. and Def. Credits		143,470	199,991	267,081	328,427
STOCKHOLDER'S EQUITY					
32 Common Stock	84,000	84,000	84,000	84,000	84,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,177,603	1,100,622	1,100,530	1,224,006	1,330,980
36 Total Stockholder's Equity	1,261,603	1,184,622	1,184,530	1,308,006	1,414,980
37 Total Liab. and Stockholder's Equity	\$1,390,231	\$1,524,021	\$1,459,320	\$1,646,892	\$1,806,474

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$233,054	\$262,775	\$265,087	\$276,774	\$306,081	1
Network Access Services	339,034	324,682	363,511	362,591	370,980	2
Long Distance Network Services	420,021	368,699	454,897	561,647	570,737	3
Miscellaneous Revenues	208,701	245,169	231,264	163,983	172,308	4
Less: Uncollectible Revenues	1,201	1,992	1,537	3,149	3,318	5
Total Operating Revenues	1,199,609	1,199,333	1,313,222	1,361,845	1,416,789	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	8,687	9,119	10,353	15,293	6,095	7
General Support Expenses	106,377	215,441	82,316	85,408	87,478	8
Central Office Switching	110,724	168,157	167,543	192,744	169,779	9
Operator Systems Expense						10
Central Office Transmission	182,410	121,843	119,043	101,347	102,703	11
Info. Origination/Termination	23,759	21,387	26,071	27,783	22,005	12
Cable & Wire Facilities	140,053	104,719	133,103	108,725	97,092	13
Total Plant Specific Operations	572,009	640,666	538,430	531,301	485,152	14
Other Plant, Property & Equipment						15
Network Operations	57,653	59,294	68,556	74,883	79,927	16
Access Expense	20,544	22,782	17,942	12,585	11,508	17
Depreciation and Amortization	84,018	144,478	237,257	336,642	301,174	18
Total Plant Non-Specific Operations	162,216	226,554	323,755	424,110	392,608	19
Marketing Expense	1,222	1,312	2,970	1,965	2,066	20
Services Expense	121,181	133,236	159,176	155,291	157,838	21
Total Customer Operations	122,404	134,548	162,146	157,256	159,904	22
Executive & Planning	98,449	96,611	98,082	106,903	180,097	23
General & Administrative	212,695	267,229	264,664	252,048	316,983	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	311,144	363,840	362,746	358,951	497,080	27
Total Operations Expense	1,167,773	1,365,607	1,387,077	1,471,619	1,534,744	28
Other Operating Income & Expenses	2,365	2,321	1,570	5,177	5,036	29
State & Local Income Taxes						30
Other Taxes	59,564	70,092	67,380	70,421	70,673	31
Net Operating Income Before FIT	(25,363)	(234,044)	(139,665)	(175,017)	(183,592)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(1,179)	(39,466)	4,755	3,722	(42,449)	34
Provision - Def. Operating Income Taxes - Net	(5,276)	(31,149)	(57,597)	(65,530)	(2,095)	35
Net Operating Income	(\$18,908)	(\$163,429)	(\$86,823)	(\$113,209)	(\$139,048)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$18,908)	(\$163,429)	(\$86,823)	(\$113,209)	(\$139,048)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	4,870				
39 Interest Income	1,341	3,370	5,939	7,529	17,314
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(43,833)	177,218			
44 Other Non-Operating Income					22,661
45 Special Charges	1,021	754	754	1,204	1,077
46 Total Non-Operating Income & Expenses	(38,642)	179,834	5,185	6,325	38,898
NON-OPERATING TAXES					
47 Federal Income Taxes	(5)	64	572	821	3,510
48 Other					
49 Total Non-Operating Taxes	(5)	64	572	821	3,510
50 Income Available Before Interest Charges	(57,545)	16,342	(82,210)	(107,705)	(103,660)
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	2	(550)	(734)	(731)	(2,573)
53 Total Interest Charges	2	(550)	(734)	(731)	(2,573)
54 Income Before Extraordinary & Nonreg Items	(57,547)	16,892	(81,476)	(106,973)	(101,087)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$57,547)	\$16,892	(\$81,476)	(\$106,973)	(\$101,087)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$923,404	\$1,100,530	\$1,224,006	\$1,330,980	\$1,520,137
60 Transferred from Income	(13,714)	(160,326)	(81,476)	(106,973)	(101,087)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	84,000	16,800	42,000		16,800
64 Adjustments	(218,529)				(71,270)
65 Ending Year Balance	1,044,219	923,404	1,100,530	1,224,006	1,330,980
66 Appropriated/Undistr Affiliate Retained Earnings	133,385	177,218			
67 Total Retained Earnings	\$1,177,604	\$1,100,622	\$1,100,530	\$1,224,006	\$1,330,980

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,662,362	\$2,231,561	\$1,890,240	\$1,461,907	\$1,377,878
2 Accounts Receivable (Net)	747,583	394,666	336,475	495,001	438,731
3 Current Deferred Income Taxes					
4 Other Current Assets	53,869	41,276	58,077	57,509	44,536
5 Total Current Assets	2,463,814	2,667,503	2,284,792	2,014,417	1,861,145
NON-CURRENT ASSETS					
6 Investments		14,670	49,878	85,087	126,163
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets		14,670	49,878	85,087	126,163
REGULATED PLANT					
13 Total Telecommunications Plant	10,730,064	10,301,256	10,234,298	10,391,556	10,704,895
14 Less: Accumulated Depr and Amort.	7,983,003	7,498,539	7,035,781	6,704,062	6,803,549
15 Net Regulated Plant	2,747,061	2,802,717	3,198,517	3,687,494	3,901,346
16 Total Assets & Other Debits	\$5,210,875	\$5,484,890	\$5,533,187	\$5,786,998	\$5,888,654
CURRENT LIABILITIES					
17 Accounts Payable	\$319,382	\$307,116	\$286,538	\$357,924	\$292,690
18 Notes Payable					
19 Advanced Billings	6,032	5,404	5,571	3,542	5,005
20 Customer Deposits					
21 Current Maturities - Long-Term Debt		5,868	35,532	42,142	46,199
22 Current Deferred Income Taxes	(7,839)	(13,577)	(11,159)	(16,843)	(10,874)
23 Other Current Liabilities	35,546	106,272	32,522	38,765	38,693
24 Total Current Liabilities	353,121	411,083	349,004	425,530	371,713
LONG-TERM DEBT					
25 Long-Term Debt			8,802	41,400	83,933
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	508,180	501,158	571,272	595,614	607,090
28 Other Deferred Credits				32,832	68,876
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(48,335)	(46,503)	(47,061)	(43,218)	12,866
31 Total Other Liab. and Def. Credits	459,845	454,655	524,211	585,228	688,832
STOCKHOLDER'S EQUITY					
32 Common Stock	60,002	60,002	60,002	60,002	60,002
33 Preferred Stock					
34 Other Paid in Capital	91,178	90,616	89,980	89,708	48,245
35 Retained Earnings	4,246,729	4,468,534	4,501,188	4,585,130	4,635,929
36 Total Stockholder's Equity	4,397,909	4,619,152	4,651,170	4,734,840	4,744,176
37 Total Liab. and Stockholder's Equity	\$5,210,875	\$5,484,890	\$5,533,187	\$5,786,998	\$5,888,654

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$482,718	\$530,012	\$564,744	\$622,245	\$677,531	1
Network Access Services	856,251	895,814	1,040,370	1,154,004	1,304,198	2
Long Distance Network Services						3
Miscellaneous Revenues	772,831	737,655	699,728	645,096	643,427	4
Less: Uncollectible Revenues	28,703	22,275	34,029	45,841	41,394	5
Total Operating Revenues	2,083,097	2,141,206	2,270,813	2,375,504	2,583,762	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	8,984	6,147	4,821	4,851	12,252	7
General Support Expenses	130,665	153,090	145,932	140,226	66,603	8
Central Office Switching	61,479	38,647	46,318	73,317	74,694	9
Operator Systems Expense						10
Central Office Transmission	165,109	162,700	156,515	196,650	110,538	11
Info. Origination/Termination	110,736	163,619	131,206	124,581	162,208	12
Cable & Wire Facilities	306,629	292,473	223,454	227,094	166,280	13
Total Plant Specific Operations	783,602	816,676	708,246	766,719	592,575	14
Other Plant, Property & Equipment						15
Network Operations	264,726	201,937	200,301	200,893	246,189	16
Access Expense	45,415	46,947	69,405	64,075	74,397	17
Depreciation and Amortization	504,284	551,690	440,866	616,629	691,279	18
Total Plant Non-Specific Operations	814,425	800,574	710,572	881,597	1,011,865	19
Marketing Expense	151,650	131,631	132,432	138,459	143,150	20
Services Expense	107,142	99,966	122,350	165,368	192,407	21
Total Customer Operations	258,792	231,597	254,782	303,827	335,557	22
Executive & Planning	73,849	81,861	84,090	69,899	51,371	23
General & Administrative	390,361	357,485	362,392	352,026	372,767	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	464,210	439,346	446,482	421,925	424,138	27
Total Operations Expense	2,321,029	2,288,193	2,120,082	2,374,068	2,364,135	28
Other Operating Income & Expenses				1,992		29
State & Local Income Taxes						30
Other Taxes	112,125	146,300	99,642	107,287	172,824	31
Net Operating Income Before FIT	(350,057)	(293,287)	51,089	(103,859)	46,803	32
Investment Tax Credits - Net						33
Federal Income Taxes	(134,822)	(33,593)	24,933	(6,352)	49,161	34
Provision - Def. Operating Income Taxes - Net	12,457	(69,050)	(18,527)	(42,607)	(26,308)	35
Net Operating Income	(\$227,692)	(\$190,644)	\$44,683	(\$54,900)	\$23,950	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$227,692)	(\$190,644)	\$44,683	(\$54,900)	\$23,950
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	7,903	9,579	8,330	8,296	36,075
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	2,465	176	(15)	(164)	230,698
45 Special Charges	1,311	(233,564)	205,916	758	1,041
46 Total Non-Operating Income & Expenses	9,057	243,319	(197,601)	7,374	265,732
NON-OPERATING TAXES					
47 Federal Income Taxes	3,170	85,322	(69,203)	2,287	89,526
48 Other					9,636
49 Total Non-Operating Taxes	3,170	85,322	(69,203)	2,287	99,162
50 Income Available Before Interest Charges	(221,805)	(32,647)	(83,715)	(49,813)	190,520
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense		7	227	986	(10,418)
53 Total Interest Charges		7	227	986	(10,418)
54 Income Before Extraordinary & Nonreg Items	(221,805)	(32,654)	(83,942)	(50,799)	200,938
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$221,805)	(\$32,654)	(\$83,942)	(\$50,799)	\$200,938
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,468,534	\$4,501,188	\$4,585,130	\$4,635,929	\$4,709,991
60 Transferred from Income	(221,805)	(32,654)	(83,942)	(50,799)	200,938
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					275,000
64 Adjustments					
65 Ending Year Balance	4,246,729	4,468,534	4,501,188	4,585,130	4,635,929
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$4,246,729	\$4,468,534	\$4,501,188	\$4,585,130	\$4,635,929

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$41,010	\$218,351	\$12,029	\$408,145	\$255,241
2 Accounts Receivable (Net)	202,115	240,763	279,605	236,867	344,205
3 Current Deferred Income Taxes					
4 Other Current Assets	475,856	608,929	632,208	553,583	560,322
5 Total Current Assets	718,981	1,068,043	923,842	1,198,595	1,159,768
NON-CURRENT ASSETS					
6 Investments	1,065,134	1,036,364	983,318	952,129	886,016
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	69,705	69,705	69,705	69,705	69,705
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	481,511				
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,616,350	1,106,069	1,053,023	1,021,834	955,721
REGULATED PLANT					
13 Total Telecommunications Plant	25,491,362	24,862,245	23,254,286	20,444,292	19,467,193
14 Less: Accumulated Depr and Amort.	18,189,773	17,415,001	16,595,785	15,855,505	15,180,801
15 Net Regulated Plant	7,301,589	7,447,244	6,658,501	4,588,787	4,286,392
16 Total Assets & Other Debits	\$9,636,920	\$9,621,356	\$8,635,366	\$6,809,216	\$6,401,881
CURRENT LIABILITIES					
17 Accounts Payable	\$67,845	\$90,218	\$115,080	\$279,769	\$60,320
18 Notes Payable	1,622,842	1,906,574	1,500,000		
19 Advanced Billings					
20 Customer Deposits	9,147	9,897	11,547	12,637	14,047
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	99,475	2,811	(75,630)	75,794	25,165
24 Total Current Liabilities	1,799,309	2,009,500	1,550,997	368,200	99,532
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	563,627	980,896	43,547	(192,070)	(192,918)
28 Other Deferred Credits	472,587	503,442	539,813	574,337	540,119
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,562,820	1,166,595	1,097,737	1,419,284	1,468,102
31 Total Other Liab. and Def. Credits	2,599,034	2,650,933	1,681,097	1,801,551	1,815,303
STOCKHOLDER'S EQUITY					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	5,158,577	4,880,923	5,323,272	4,559,465	4,407,046
36 Total Stockholder's Equity	5,238,577	4,960,923	5,403,272	4,639,465	4,487,046
37 Total Liab. and Stockholder's Equity	\$9,636,920	\$9,621,356	\$8,635,366	\$6,809,216	\$6,401,881

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,180,420	\$1,280,970	\$1,376,189	\$1,309,614	\$1,296,313	1
Network Access Services	1,746,445	1,754,703	1,788,707	1,755,450	1,748,659	2
Long Distance Network Services	500,327	641,938	590,503	517,908	452,704	3
Miscellaneous Revenues	1,331,459	1,285,102	1,222,149	1,143,987	1,092,626	4
Less: Uncollectible Revenues	(2,017)	37,360	17,144	82,981	17,971	5
Total Operating Revenues	4,760,668	4,925,353	4,960,404	4,643,978	4,572,331	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	(404)	2,933		(1,515)	37,434	7
General Support Expenses	223,096	253,100	300,421	241,738	275,299	8
Central Office Switching	904,380	791,423	528,304	445,363	458,000	9
Operator Systems Expense						10
Central Office Transmission	91,836	79,749	79,341	73,340	92,974	11
Info. Origination/Termination	153,140	190,693	230,654	238,130	195,526	12
Cable & Wire Facilities	700,212	226,038	301,912	283,886	272,990	13
Total Plant Specific Operations	2,072,260	1,543,936	1,440,632	1,280,942	1,332,223	14
Other Plant, Property & Equipment	73,159	73,438	73,518	70,453	67,649	15
Network Operations	301,953	345,709	323,478	345,683	329,809	16
Access Expense	7,954	5,298	11,626	20,742		17
Depreciation and Amortization	895,191	819,216	782,346	730,717	812,996	18
Total Plant Non-Specific Operations	1,278,257	1,243,661	1,190,968	1,167,595	1,210,454	19
Marketing Expense	31,507	28,845	26,346	29,609	20,136	20
Services Expense	552,906	575,970	575,269	664,430	673,702	21
Total Customer Operations	584,413	604,815	601,615	694,039	693,838	22
Executive & Planning	357,229	352,564	314,340	337,198	339,485	23
General & Administrative	408,741	303,730	285,068	332,468	279,107	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	765,970	656,294	599,408	669,666	618,592	27
Total Operations Expense	4,700,900	4,048,706	3,832,623	3,812,242	3,855,107	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	309,847	281,720	273,060	261,936	245,372	31
Net Operating Income Before FIT	(250,079)	594,927	854,721	569,800	471,852	32
Investment Tax Credits - Net						33
Federal Income Taxes	(69,261)	57,922	(57,606)	139,409	17,482	34
Provision - Def. Operating Income Taxes - Net	(348,311)	136,171	284,752	(50,560)	34,009	35
Net Operating Income	\$167,493	\$400,834	\$627,575	\$480,951	\$420,361	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$167,493	\$400,834	\$627,575	\$480,951	\$420,361
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	28,770	53,046	31,189	66,113	91,558
44 Other Non-Operating Income					
45 Special Charges	4,965	67,800	11,673	12,128	15,169
46 Total Non-Operating Income & Expenses	23,805	(14,754)	19,516	53,985	76,389
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	191,298	386,080	647,091	534,936	496,750
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	76,741	90,239	10,861	35	60
53 Total Interest Charges	76,741	90,239	10,861	35	60
54 Income Before Extraordinary & Nonreg Items	114,557	295,841	636,230	534,901	496,690
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$114,557	\$295,841	\$636,230	\$534,901	\$496,690
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$3,744,559	\$4,239,954	\$3,507,336	\$3,421,030	\$3,580,081
60 Transferred from Income	85,787	242,795	605,041	468,788	405,132
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	112,000		360,000	360,000	384,000
64 Adjustments	275,097	(738,190)	487,577	(22,482)	(180,183)
65 Ending Year Balance	3,993,443	3,744,559	4,239,954	3,507,336	3,421,030
66 Appropriated/Undistr Affiliate Retained Earnings	1,165,134	1,136,364	1,083,318	1,052,129	986,016
67 Total Retained Earnings	\$5,158,577	\$4,880,923	\$5,323,272	\$4,559,465	\$4,407,046

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$900	\$1,220	\$1,220	\$1,220	\$1,220
2 Accounts Receivable (Net)	3,137,613	3,050,683	5,696,221	5,964,401	6,900,415
3 Current Deferred Income Taxes	64,299	47,442	59,818	54,467	45,306
4 Other Current Assets	791,502	870,095	805,030	767,205	933,635
5 Total Current Assets	3,994,314	3,969,440	6,562,289	6,787,293	7,880,576
NON-CURRENT ASSETS					
6 Investments	1,368,933	1,629,670	2,932,328	2,527,960	2,652,308
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	(9,422)	73,409	162,786	256,704	351,388
11 Other Non-Current Assets	3,132	3,132			
12 Total Non-Current Assets	1,362,643	1,706,211	3,095,114	2,784,664	3,003,696
REGULATED PLANT					
13 Total Telecommunications Plant	74,195,348	72,872,974	72,338,568	71,601,250	71,013,992
14 Less: Accumulated Depr and Amort.	53,819,463	51,654,205	51,440,686	51,158,089	50,407,696
15 Net Regulated Plant	20,375,885	21,218,769	20,897,882	20,443,160	20,606,296
16 Total Assets & Other Debits	\$25,732,842	\$26,894,420	\$30,555,285	\$30,015,117	\$31,490,568
CURRENT LIABILITIES					
17 Accounts Payable	\$4,023,282	\$4,166,127	\$6,533,120	\$5,503,433	\$7,822,553
18 Notes Payable					
19 Advanced Billings	6,340	5,511	(7,955)		
20 Customer Deposits					1,182
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	108,864	151,406	177,465	147,003	383,646
24 Total Current Liabilities	4,138,486	4,323,044	6,702,630	5,650,436	8,207,381
LONG-TERM DEBT					
25 Long-Term Debt					
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	3,199,333	3,144,521	3,330,678	2,761,852	2,150,206
28 Other Deferred Credits		186,299	484,507	771,177	1,060,037
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	43,309	(143,732)	844,880	994,255	(958,180)
31 Total Other Liab. and Def. Credits	3,242,642	3,187,088	4,660,065	4,527,283	2,252,063
STOCKHOLDER'S EQUITY					
32 Common Stock	677,719	677,719	677,719	677,719	677,719
33 Preferred Stock					
34 Other Paid in Capital	1,581,615	1,581,615	1,581,615	1,581,615	1,581,615
35 Retained Earnings	16,092,375	17,124,954	16,933,257	17,578,064	18,771,790
36 Total Stockholder's Equity	18,351,709	19,384,288	19,192,590	19,837,397	21,031,124
37 Total Liab. and Stockholder's Equity	\$25,732,837	\$26,894,420	\$30,555,285	\$30,015,117	\$31,490,568

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$5,754,976	\$5,900,350	\$6,291,137	\$6,777,829	\$6,947,570	1
Network Access Services	8,495,650	9,076,902	8,913,380	9,075,300	9,338,829	2
Long Distance Network Services	132,724	133,286	133,482	134,295	220,042	3
Miscellaneous Revenues	1,085,394	1,502,083	1,303,509	1,373,369	1,412,660	4
Less: Uncollectible Revenues	202,309	74,286	167,827	189,575	(87,569)	5
Total Operating Revenues	15,266,435	16,538,335	16,473,681	17,171,217	18,006,670	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	4,065	5,844	(2,809)	1,505	15,693	7
General Support Expenses	3,168,046	2,645,567	3,423,789	1,487,092	1,517,313	8
Central Office Switching	669,639	656,596	682,378	695,522	805,018	9
Operator Systems Expense						10
Central Office Transmission	74,596	78,379	71,443	79,643	73,512	11
Info. Origination/Termination						12
Cable & Wire Facilities	2,331,755	2,368,182	1,881,758	2,190,256	1,826,215	13
Total Plant Specific Operations	6,248,101	5,754,568	6,056,559	4,454,018	4,237,751	14
Other Plant, Property & Equipment		876		12,345	38,946	15
Network Operations	1,302,403	1,397,723	1,498,375	1,535,849	1,688,180	16
Access Expense	524,533	549,817	518,956	417,350	384,631	17
Depreciation and Amortization	2,399,431	3,039,119	2,638,257	2,631,331	2,769,964	18
Total Plant Non-Specific Operations	4,226,367	4,987,535	4,655,588	4,596,875	4,881,721	19
Marketing Expense	240,294	355,734	250,263	371,641	377,589	20
Services Expense	1,487,538	1,711,737	1,788,558	2,023,283	1,986,517	21
Total Customer Operations	1,727,832	2,067,471	2,038,821	2,394,924	2,364,106	22
Executive & Planning	549,554	306,032	256,914	571,201	616,510	23
General & Administrative	1,867,538	1,975,497	1,698,638	2,378,412	2,348,740	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,417,092	2,281,529	1,955,552	2,949,613	2,965,250	27
Total Operations Expense	14,619,392	15,091,103	14,706,520	14,395,430	14,448,828	28
Other Operating Income & Expenses						29
State & Local Income Taxes	(4,858)	(302)	(1,386)	23,714	11,427	30
Other Taxes	753,362	817,518	855,462	742,623	836,535	31
Net Operating Income Before FIT	(101,461)	630,016	913,085	2,009,450	2,709,880	32
Investment Tax Credits - Net					11,935	33
Federal Income Taxes	(467,993)	(14,209)	(46,790)	2,114,833	468,271	34
Provision - Def. Operating Income Taxes - Net	120,786	(66,071)	42,874	(457,199)	691,375	35
Net Operating Income	\$245,746	\$710,296	\$917,001	\$351,816	\$1,562,169	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$245,746	\$710,296	\$917,001	\$351,816	\$1,562,169
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	1,179,263	1,531,342	1,542,368		
44 Other Non-Operating Income					
45 Special Charges		900	92	(150)	(383)
46 Total Non-Operating Income & Expenses	1,179,263	1,530,442	1,542,276	150	383
NON-OPERATING TAXES					
47 Federal Income Taxes	137,218	33,112	516,845	(778,650)	(138,343)
48 Other	83,351	(74,609)	125,801	68,320	94,229
49 Total Non-Operating Taxes	220,569	(41,497)	642,646	(710,330)	(44,114)
50 Income Available Before Interest Charges	1,204,440	2,282,235	1,816,631	1,062,296	1,606,666
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense	1,119	17,570	38,161	57,316	75,184
53 Total Interest Charges	1,119	17,570	38,161	57,316	75,184
54 Income Before Extraordinary & Nonreg Items	1,203,321	2,264,665	1,778,470	1,004,979	1,531,482
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues	895,363	738,375	2,186,090	1,906,295	767,269
57 Total Extraordinary & Nonregulated Items	895,363	738,375	2,186,090	1,906,295	767,269
58 Net Income	\$2,098,684	\$3,003,040	\$3,964,560	\$2,911,274	\$2,298,751
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$17,124,955	\$16,933,257	\$17,578,064	\$18,771,790	\$14,166,497
60 Transferred from Income	919,421	1,471,698	2,422,192	2,911,274	2,298,751
61 Appropriations		1,134,454	2,921,454		
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				4,105,000	4,628,000
64 Adjustments	(145,546)	(145,546)	(145,545)		6,934,542
65 Ending Year Balance	17,898,830	17,124,955	16,933,257	17,578,064	18,771,790
66 Appropriated/Undistr Affiliate Retained Earnings	(1,806,454)				
67 Total Retained Earnings	\$16,092,376	\$17,124,955	\$16,933,257	\$17,578,064	\$18,771,790

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,095,449	\$1,030,522	\$3,002,866	\$2,622,609	\$2,234,501
2 Accounts Receivable (Net)	447,892	429,711	332,720	565,756	551,121
3 Current Deferred Income Taxes					
4 Other Current Assets	57,087	68,498	63,238	60,595	67,946
5 Total Current Assets	1,600,428	1,528,731	3,398,824	3,248,960	2,853,568
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	50			100	100
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	50			100	100
REGULATED PLANT					
13 Total Telecommunications Plant	18,408,210	18,266,906	17,883,607	18,418,292	18,796,724
14 Less: Accumulated Depr and Amort.	12,276,132	11,617,643	11,030,958	10,421,373	10,170,192
15 Net Regulated Plant	6,132,078	6,649,263	6,852,649	7,996,919	8,626,532
16 Total Assets & Other Debits	\$7,732,556	\$8,177,994	\$10,251,473	\$11,245,979	\$11,480,200
CURRENT LIABILITIES					
17 Accounts Payable	\$300,247	\$328,592	\$332,634	\$418,344	\$328,859
18 Notes Payable					
19 Advanced Billings	66,090	67,786	65,796	70,870	73,406
20 Customer Deposits					
21 Current Maturities - Long-Term Debt			855	3,656	13,048
22 Current Deferred Income Taxes	(2,716)	(9,397)	(3,575)	(5,375)	(5,873)
23 Other Current Liabilities	88,225	85,890	118,833	108,091	59,831
24 Total Current Liabilities	451,846	472,871	514,543	595,586	469,271
LONG-TERM DEBT					
25 Long-Term Debt				855	4,511
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,497,972	1,488,961	1,419,711	1,632,820	1,734,094
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	216,596	213,864	427,765	421,760	537,958
31 Total Other Liab. and Def. Credits	1,714,568	1,702,825	1,847,476	2,054,580	2,272,052
STOCKHOLDER'S EQUITY					
32 Common Stock	10,000	10,000	10,000	10,000	10,000
33 Preferred Stock					
34 Other Paid in Capital	3,688,859	3,689,759	3,613,927	3,611,919	3,527,330
35 Retained Earnings	1,867,283	2,302,539	4,265,527	4,973,039	5,197,036
36 Total Stockholder's Equity	5,566,142	6,002,298	7,889,454	8,594,958	8,734,366
37 Total Liab. and Stockholder's Equity	\$7,732,556	\$8,177,994	\$10,251,473	\$11,245,979	\$11,480,200

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$604,581	\$679,011	\$752,831	\$854,857	\$982,316	1
Network Access Services	1,462,416	1,516,745	1,518,030	1,909,905	1,971,262	2
Long Distance Network Services						3
Miscellaneous Revenues	648,621	652,996	602,803	538,493	589,900	4
Less: Uncollectible Revenues	3,042	7,014	18,615	3,841	16,773	5
Total Operating Revenues	2,712,576	2,841,738	2,855,049	3,299,414	3,526,705	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	6,878	9,247	8,711	7,397	3,808	7
General Support Expenses	190,425	193,003	194,170	201,783	72,638	8
Central Office Switching	141,411	157,583	129,530	150,446	160,689	9
Operator Systems Expense						10
Central Office Transmission	152,210	143,997	139,644	193,987	220,570	11
Info. Origination/Termination	81,925	148,723	149,873	128,422	186,849	12
Cable & Wire Facilities	421,451	298,221	265,715	296,076	254,235	13
Total Plant Specific Operations	994,300	950,774	887,643	978,111	898,789	14
Other Plant, Property & Equipment						15
Network Operations	352,015	306,268	321,099	332,553	365,421	16
Access Expense	45,946	43,183	71,198	60,191	90,217	17
Depreciation and Amortization	791,323	779,230	633,673	1,022,736	1,206,705	18
Total Plant Non-Specific Operations	1,189,284	1,128,681	1,025,970	1,415,480	1,662,343	19
Marketing Expense	211,700	192,186	200,460	219,055	235,298	20
Services Expense	148,398	147,807	174,264	248,981	287,490	21
Total Customer Operations	360,098	339,993	374,724	468,036	522,788	22
Executive & Planning	94,950	100,963	100,031	77,936	61,889	23
General & Administrative	579,949	424,287	552,598	543,477	510,791	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	674,899	525,250	652,629	621,413	572,680	27
Total Operations Expense	3,218,581	2,944,698	2,940,966	3,483,040	3,656,600	28
Other Operating Income & Expenses			(245)	1,037		29
State & Local Income Taxes						30
Other Taxes	165,637	164,142	163,901	179,243	212,054	31
Net Operating Income Before FIT	(671,642)	(267,102)	(250,063)	(361,832)	(341,949)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(251,094)	(107,947)	124,289	8,953	(25,840)	34
Provision - Def. Operating Income Taxes - Net	16,176	15,031	(211,759)	(135,856)	(67,846)	35
Net Operating Income	(\$436,724)	(\$174,186)	(\$162,593)	(\$234,929)	(\$248,263)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$436,724)	(\$174,186)	(\$162,593)	(\$234,929)	(\$248,263)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	4,132	15,222	17,625	19,110	62,147
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income				(11)	1,402,876
45 Special Charges	1,873	(863,219)	855,739	965	1,496
46 Total Non-Operating Income & Expenses	2,259	878,441	(838,114)	18,134	1,463,527
NON-OPERATING TAXES					
47 Federal Income Taxes	791	307,152	(293,339)	6,346	488,382
48 Other					66,762
49 Total Non-Operating Taxes	791	307,152	(293,339)	6,346	555,144
50 Income Available Before Interest Charges	(435,256)	397,103	(707,368)	(223,141)	660,120
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense		91	144	856	(72,547)
53 Total Interest Charges		91	144	856	(72,547)
54 Income Before Extraordinary & Nonreg Items	(435,256)	397,012	(707,512)	(223,997)	732,667
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$435,256)	\$397,012	(\$707,512)	(\$223,997)	\$732,667
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,302,539	\$4,265,527	\$4,973,039	\$5,197,036	\$4,813,369
60 Transferred from Income	(435,256)	397,012	(707,512)	(223,997)	732,667
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		2,360,000			349,000
64 Adjustments					
65 Ending Year Balance	1,867,283	2,302,539	4,265,527	4,973,039	5,197,036
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	\$1,867,283	\$2,302,539	\$4,265,527	\$4,973,039	\$5,197,036

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$1,560,297	\$1,372,288	\$1,305,928	\$1,196,954	\$1,181,920
2 Accounts Receivable (Net)	2,494,278	3,538,226	2,669,528	1,497,117	664,190
3 Current Deferred Income Taxes	353,646				
4 Other Current Assets	1,489,308	1,594,802	798,627	838,856	647,439
5 Total Current Assets	5,897,529	6,505,316	4,774,083	3,532,927	2,493,550
NON-CURRENT ASSETS					
6 Investments	3,237,699	3,296,910	3,743,466	3,645,432	3,761,401
7 Unamortized Debt Issuance Costs		2,400	4,800	7,200	9,600
8 Deferred Charges				5,832	5,832
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		404,395	320,074	288,255	296,791
11 Other Non-Current Assets	2,212,029	2,196,702	2,312,740	2,814,230	2,590,117
12 Total Non-Current Assets	5,449,728	5,900,407	6,381,080	6,760,949	6,663,741
REGULATED PLANT					
13 Total Telecommunications Plant	25,277,835	24,189,786	25,797,237	25,150,618	25,424,547
14 Less: Accumulated Depr and Amort.	15,504,841	14,478,120	15,836,462	14,784,017	14,207,800
15 Net Regulated Plant	9,772,994	9,711,667	9,960,775	10,366,601	11,216,747
16 Total Assets & Other Debits	\$21,120,251	\$22,117,390	\$21,115,938	\$20,660,477	\$20,374,037
CURRENT LIABILITIES					
17 Accounts Payable	\$1,687,081	\$2,638,597	\$1,625,791	\$1,443,300	\$1,427,605
18 Notes Payable	249,213	317,196	345,460	429,275	427,219
19 Advanced Billings	417,277	437,713	458,149	478,585	499,021
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	299,235	299,235	299,235	299,235	398,980
22 Current Deferred Income Taxes					
23 Other Current Liabilities	954,089	834,364	889,042	859,639	546,114
24 Total Current Liabilities	3,606,896	4,527,105	3,617,677	3,510,034	3,298,939
LONG-TERM DEBT					
25 Long-Term Debt	797,956	1,196,936	1,595,916	1,994,896	2,393,876
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,361,402	2,338,201	2,197,183	2,081,035	1,829,115
28 Other Deferred Credits	266,159	263,591	276,482	296,445	292,251
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	310,292	313,285	321,990	273,309	266,987
31 Total Other Liab. and Def. Credits	2,937,853	2,915,077	2,795,655	2,650,789	2,388,353
STOCKHOLDER'S EQUITY					
32 Common Stock	240,000	240,000	240,000	240,000	240,000
33 Preferred Stock					
34 Other Paid in Capital	(1,877,056)	(2,050,975)	(2,014,959)	(2,154,475)	(2,601,601)
35 Retained Earnings	15,414,602	15,289,247	14,881,648	14,419,233	14,654,469
36 Total Stockholder's Equity	13,777,546	13,478,272	13,106,689	12,504,758	12,292,868
37 Total Liab. and Stockholder's Equity	\$21,120,251	\$22,117,390	\$21,115,938	\$20,660,477	\$20,374,037

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$1,289,546	\$1,400,284	\$1,493,827	\$1,626,544	\$1,617,781	1
Network Access Services	2,622,644	3,086,454	2,980,156	3,141,202	3,074,538	2
Long Distance Network Services						3
Miscellaneous Revenues	1,089,270	989,240	936,810	885,380	788,197	4
Less: Uncollectible Revenues	13,025	19,254	24,450	22,502	21,366	5
Total Operating Revenues	4,988,435	5,456,724	5,386,343	5,630,624	5,459,150	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	6,145	9,797	5,935	5,861	6,338	7
General Support Expenses	553,141	545,558	532,712	542,053	503,226	8
Central Office Switching	400,582	410,225	399,403	374,678	284,024	9
Operator Systems Expense						10
Central Office Transmission	92,825	130,498	123,954	161,704	144,632	11
Info. Origination/Termination	140,715	136,674	150,864	121,097	107,796	12
Cable & Wire Facilities	37,657	294,363	262,623	300,656	538,525	13
Total Plant Specific Operations	1,231,065	1,527,115	1,475,491	1,506,049	1,584,541	14
Other Plant, Property & Equipment	1,242	1,226	587	(1)	(2,866)	15
Network Operations	273,149	351,432	369,865	330,006	208,340	16
Access Expense	164,951	148,546	131,071	110,189	103,943	17
Depreciation and Amortization	1,121,429	1,116,781	1,108,670	1,090,497	1,031,017	18
Total Plant Non-Specific Operations	1,560,770	1,617,985	1,610,193	1,530,691	1,340,434	19
Marketing Expense	66,180	67,231	82,675	115,736	134,883	20
Services Expense	359,679	368,691	381,051	404,135	469,734	21
Total Customer Operations	425,859	435,922	463,726	519,871	604,617	22
Executive & Planning	412,802	379,826	436,073	394,502	373,871	23
General & Administrative	898,282	885,837	848,766	798,014	768,638	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,311,084	1,265,663	1,284,839	1,192,516	1,142,509	27
Total Operations Expense	4,528,778	4,846,685	4,834,249	4,749,127	4,672,101	28
Other Operating Income & Expenses	2,832					29
State & Local Income Taxes						30
Other Taxes	251,187	283,406	287,643	424,008	420,064	31
Net Operating Income Before FIT	211,302	326,633	264,451	457,489	366,985	32
Investment Tax Credits - Net						33
Federal Income Taxes	24,434	(3,856)	46,418	122,750	(126,558)	34
Provision - Def. Operating Income Taxes - Net	24,369	88,378	(2,246)	22,633	173,343	35
Net Operating Income	\$162,499	\$242,111	\$220,279	\$312,106	\$320,200	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$162,499	\$242,111	\$220,279	\$312,106	\$320,200
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income	17,940	20,276	22,910	25,326	22,426
39 Interest Income	36,734	38,758	42,126	35,496	62,753
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	22,159	17,983	6,295	1,679	17,640
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	(59,212)	209,116	359,322	(254,756)	1,227
44 Other Non-Operating Income	131,088	96,144	92,746	(224,441)	(106,780)
45 Special Charges	765	24,135	14,692	13,414	8,176
46 Total Non-Operating Income & Expenses	147,944	358,142	508,707	(430,110)	(10,910)
NON-OPERATING TAXES					
47 Federal Income Taxes		39,914	83,768	(79,265)	(19,996)
48 Other	53,147				
49 Total Non-Operating Taxes	53,147	39,914	83,768	(79,265)	(19,996)
50 Income Available Before Interest Charges	257,296	560,339	645,218	(38,739)	329,286
INTEREST CHARGES					
51 Interest on Funded Debt	60,770	83,136	108,747	135,909	167,945
52 Other Interest Expense	11,520	15,459	20,239	6,841	50,726
53 Total Interest Charges	72,290	98,595	128,986	142,750	218,671
54 Income Before Extraordinary & Nonreg Items	185,006	461,744	516,232	(181,489)	110,615
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$185,006	\$461,744	\$516,232	(\$181,489)	\$110,615

RETAINED EARNINGS STATEMENT

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$15,706,261	\$15,298,662	\$14,836,247	\$15,071,483	\$15,014,427
60 Transferred from Income	244,218	461,745	516,232	73,267	110,615
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	59,651	54,146	53,818	53,747	53,558
64 Adjustments	59,212			(254,756)	
65 Ending Year Balance	15,831,616	15,706,261	15,298,662	14,836,247	15,071,483
66 Appropriated/Undistr Affiliate Retained Earnings	(417,014)	(417,014)	(417,014)	(417,014)	(417,014)
67 Total Retained Earnings	\$15,414,602	\$15,289,247	\$14,881,648	\$14,419,233	\$14,654,469

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$2,209,355	\$2,064,564	\$1,818,230	\$1,520,876	\$1,180,981
2 Accounts Receivable (Net)	169,859	199,894	164,182	409,826	209,740
3 Current Deferred Income Taxes					
4 Other Current Assets	41,371	40,105	39,945	39,639	35,339
5 Total Current Assets	2,420,585	2,304,563	2,022,357	1,970,341	1,426,060
NON-CURRENT ASSETS					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets					
REGULATED PLANT					
13 Total Telecommunications Plant	10,237,273	10,297,687	10,031,679	9,995,673	10,096,696
14 Less: Accumulated Depr and Amort.	6,455,172	6,335,403	5,915,780	5,580,663	5,230,848
15 Net Regulated Plant	3,782,101	3,962,284	4,115,899	4,415,010	4,865,848
16 Total Assets & Other Debits	\$6,202,686	\$6,266,847	\$6,138,256	\$6,385,351	\$6,291,908
CURRENT LIABILITIES					
17 Accounts Payable	\$182,835	\$285,105	\$215,609	\$371,155	\$241,428
18 Notes Payable					
19 Advanced Billings	20,330	20,100	20,450	20,262	22,411
20 Customer Deposits					
21 Current Maturities - Long-Term Debt				979	2,348
22 Current Deferred Income Taxes	(2,444)	(7,595)	(2,866)	(2,975)	(3,720)
23 Other Current Liabilities	28,921	34,890	40,566	32,962	51,638
24 Total Current Liabilities	229,642	332,500	273,759	422,383	314,105
LONG-TERM DEBT					
25 Long-Term Debt					978
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	961,267	945,615	922,381	955,207	919,947
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(104,477)	(93,808)	(102,721)	(94,379)	53,692
31 Total Other Liab. and Def. Credits	856,790	851,807	819,660	860,828	973,639
STOCKHOLDER'S EQUITY					
32 Common Stock	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
33 Preferred Stock					
34 Other Paid in Capital	2,829,656	2,834,069	2,838,758	2,838,902	2,742,037
35 Retained Earnings	(113,402)	(151,529)	(193,921)	(136,762)	(138,851)
36 Total Stockholder's Equity	5,116,254	5,082,540	5,044,837	5,102,140	5,003,186
37 Total Liab. and Stockholder's Equity	\$6,202,686	\$6,266,847	\$6,138,256	\$6,385,351	\$6,291,908

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$573,141	\$621,786	\$656,073	\$711,490	\$789,812	1
Network Access Services	762,882	717,192	700,400	857,812	813,731	2
Long Distance Network Services						3
Miscellaneous Revenues	382,495	382,640	361,918	317,185	322,931	4
Less: Uncollectible Revenues	12,960	4,675	13,683	1,554	19,080	5
Total Operating Revenues	1,705,558	1,716,943	1,704,708	1,884,933	1,907,394	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	12,225	9,863	6,352	5,619	13,756	7
General Support Expenses	107,327	116,762	100,122	114,840	59,858	8
Central Office Switching	64,475	74,020	80,527	86,881	79,379	9
Operator Systems Expense						10
Central Office Transmission	74,992	89,030	58,765	73,178	93,979	11
Info. Origination/Termination	34,008	70,743	77,447	67,222	95,772	12
Cable & Wire Facilities	177,973	214,213	158,988	173,031	160,008	13
Total Plant Specific Operations	471,000	574,631	482,201	520,771	502,752	14
Other Plant, Property & Equipment						15
Network Operations	211,062	167,742	156,736	176,432	231,022	16
Access Expense	32,762	31,809	48,221	41,878	54,770	17
Depreciation and Amortization	351,814	404,278	381,182	524,127	535,205	18
Total Plant Non-Specific Operations	595,638	603,829	586,139	742,437	820,997	19
Marketing Expense	117,769	102,025	101,216	102,677	104,251	20
Services Expense	82,788	82,845	94,609	125,592	152,687	21
Total Customer Operations	200,557	184,870	195,825	228,269	256,938	22
Executive & Planning	48,970	56,961	52,598	41,921	33,397	23
General & Administrative	260,589	262,473	269,814	272,278	309,389	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	309,559	319,434	322,412	314,199	342,786	27
Total Operations Expense	1,576,754	1,682,764	1,586,577	1,805,676	1,923,473	28
Other Operating Income & Expenses		1,086		887		29
State & Local Income Taxes						30
Other Taxes	77,874	85,469	81,438	86,730	112,602	31
Net Operating Income Before FIT	50,930	(50,204)	36,693	(6,586)	(128,681)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(5,219)	(47,429)	55,677	65,052	(922)	34
Provision - Def. Operating Income Taxes - Net	23,182	30,017	(42,680)	(67,219)	(43,077)	35
Net Operating Income	\$32,967	(\$32,792)	\$23,696	(\$4,419)	(\$84,682)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	\$32,967	(\$32,792)	\$23,696	(\$4,419)	(\$84,682)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	8,925	9,002	8,927	10,983	22,582
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income			(15)	(65)	81,546
45 Special Charges	986	(106,655)	133,268	718	915
46 Total Non-Operating Income & Expenses	7,939	115,657	(124,356)	10,200	103,213
NON-OPERATING TAXES					
47 Federal Income Taxes	2,779	40,469	(43,524)	3,505	34,904
48 Other					3,471
49 Total Non-Operating Taxes	2,779	40,469	(43,524)	3,505	38,375
50 Income Available Before Interest Charges	38,127	42,396	(57,136)	2,276	(19,844)
INTEREST CHARGES					
51 Interest on Funded Debt					
52 Other Interest Expense		4	23	187	(2,919)
53 Total Interest Charges		4	23	187	(2,919)
54 Income Before Extraordinary & Nonreg Items	38,127	42,392	(57,159)	2,089	(16,925)
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	\$38,127	\$42,392	(\$57,159)	\$2,089	(\$16,925)
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$151,529)	(\$193,921)	(\$136,762)	(\$138,851)	(\$121,926)
60 Transferred from Income	38,127	42,392	(57,159)	2,089	(16,925)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	(113,402)	(151,529)	(193,921)	(136,762)	(138,851)
66 Appropriated/Undistr Affiliate Retained Earnings					
67 Total Retained Earnings	(\$113,402)	(\$151,529)	(\$193,921)	(\$136,762)	(\$138,851)

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

	2012	2011	2010	2009	2008
CURRENT ASSETS					
1 Cash and Temporary Cash Investments	\$705,000	\$4,339,461	\$13,333,379	\$9,284,431	\$7,198,680
2 Accounts Receivable (Net)	53,459,859	49,502,807	33,064,219	26,270,647	18,380,437
3 Current Deferred Income Taxes					
4 Other Current Assets	601,178	931,681	979,468	1,114,390	1,616,373
5 Total Current Assets	54,766,037	54,773,949	47,377,066	36,669,468	27,195,490
NON-CURRENT ASSETS					
6 Investments		(1,773,288)	5,901,458	9,130,970	8,906,231
7 Unamortized Debt Issuance Costs		44,715	20,628	39,375	51,975
8 Deferred Charges	1,397,847	1,223,427	943,179	662,655	710,127
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		366,056	(77,134)	18,234	208,898
11 Other Non-Current Assets	274,979	2,251,558	4,342,882	4,331,297	4,312,818
12 Total Non-Current Assets	1,672,826	2,112,468	11,131,013	14,182,531	14,190,049
REGULATED PLANT					
13 Total Telecommunications Plant	74,688,849	73,284,019	71,361,928	70,333,461	69,158,033
14 Less: Accumulated Depr and Amort.	53,578,072	50,576,212	46,882,002	42,975,607	38,831,682
15 Net Regulated Plant	21,110,777	22,707,807	24,479,926	27,357,854	30,326,351
16 Total Assets & Other Debits	\$77,549,640	\$79,594,224	\$82,988,005	\$78,209,853	\$71,711,890
CURRENT LIABILITIES					
17 Accounts Payable	\$45,705,044	\$31,906,723	\$31,197,145	\$25,401,170	\$18,600,219
18 Notes Payable		5,600,000			
19 Advanced Billings	331,380	331,528	332,497	268,093	163,455
20 Customer Deposits	30,219	32,376	45,818	102,460	99,425
21 Current Maturities - Long-Term Debt		1,138,974	1,518,633	1,518,633	1,518,633
22 Current Deferred Income Taxes				(1,148)	(1,584)
23 Other Current Liabilities	1,289,811	4,466,913	5,071,101	2,412,130	(315,727)
24 Total Current Liabilities	47,356,454	43,476,514	38,165,194	29,701,338	20,064,421
LONG-TERM DEBT					
25 Long-Term Debt			1,138,974	2,657,606	4,176,238
OTHER LIAB. & DEFERRED CREDITS					
26 Unamortized ITC					
27 Non-Current Deferred Taxes		(234,808)	607,253	2,267,496	2,526,190
28 Other Deferred Credits	234,775	234,775	234,775	234,775	
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	8,094,819	9,914,990	6,554,035	5,766,912	10,050,995
31 Total Other Liab. and Def. Credits	8,329,594	9,914,957	7,396,063	8,269,183	12,577,185
STOCKHOLDER'S EQUITY					
32 Common Stock		62,188	59,975	59,908	59,845
33 Preferred Stock		500,000	500,000	500,000	500,000
34 Other Paid in Capital	22,120,379	(71,191)	(706,199)	(1,097,469)	(1,226,345)
35 Retained Earnings	(256,787)	25,711,756	36,433,998	38,119,287	35,560,546
36 Total Stockholder's Equity	21,863,592	26,202,753	36,287,774	37,581,726	\$34,894,046
37 Total Liab. and Stockholder's Equity	\$77,549,640	\$79,594,224	\$82,988,005	\$78,209,853	\$71,711,890

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

INCOME STATEMENT	2012	2011	2010	2009	2008	
TELEPHONE OPERATING REVENUES						
Local Network Services	\$3,090,653	\$3,061,579	\$2,875,748	\$3,026,623	\$3,171,932	1
Network Access Services	8,262,437	8,169,999	9,774,813	8,801,159	8,839,860	2
Long Distance Network Services	62,956	229,576	232,061	612,767	990,026	3
Miscellaneous Revenues	2,496,340	2,812,638	2,986,327	3,519,253	3,992,082	4
Less: Uncollectible Revenues	365,000	165,000	242,500	330,000	216,962	5
Total Operating Revenues	13,547,386	14,108,792	15,626,449	15,629,802	16,776,938	6
TELEPHONE OPERATING EXPENSES						
Network Support Expenses	5,078					7
General Support Expenses	476,042	413,200	568,732	560,798	614,284	8
Central Office Switching	571,620	415,925	473,539	622,072	730,264	9
Operator Systems Expense						10
Central Office Transmission	979,227	1,180,593	1,538,482	1,598,115	1,672,982	11
Info. Origination/Termination	787,135	1,023,343	1,000,452	974,710	1,162,764	12
Cable & Wire Facilities	523,043	433,695	334,528	431,718	643,380	13
Total Plant Specific Operations	3,342,145	3,466,756	3,915,733	4,187,413	4,823,674	14
Other Plant, Property & Equipment	14,255			1,523	(60,775)	15
Network Operations	623,630	666,205	888,670	694,823	728,698	16
Access Expense	71,792	86,449		(379)	9,027	17
Depreciation and Amortization	3,283,309	3,769,571	4,067,126	4,106,702	4,001,162	18
Total Plant Non-Specific Operations	3,992,986	4,522,225	4,955,796	4,802,669	4,678,112	19
Marketing Expense	447,523	1,009,146	1,424,758	1,401,199	1,665,320	20
Services Expense	1,938,519	2,400,099	2,594,317	2,381,235	2,537,056	21
Total Customer Operations	2,386,042	3,409,245	4,019,075	3,782,434	4,202,376	22
Executive & Planning	1,814,610	1,415,596	1,484,842	1,035,212	1,228,752	23
General & Administrative	5,206,143	4,770,990	3,121,980	3,874,853	2,890,724	24
Provision - Uncollectible Notes Rec.						25
Other		40,142				26
Total Corporate Operations	7,020,753	6,226,728	4,606,822	4,910,065	4,119,476	27
Total Operations Expense	16,741,926	17,624,954	17,497,426	17,682,581	17,823,638	28
Other Operating Income & Expenses		(85,137)	8,912			29
State & Local Income Taxes						30
Other Taxes	1,191,372	1,034,840	1,088,358	1,233,719	1,165,936	31
Net Operating Income Before FIT	(4,385,912)	(4,636,139)	(2,950,423)	(3,286,497)	(2,212,636)	32
Investment Tax Credits - Net						33
Federal Income Taxes	926,993	833,430	3,117,273	2,885,656	2,782,178	34
Provision - Def. Operating Income Taxes - Net						35
Net Operating Income	(\$5,312,905)	(\$5,469,569)	(\$6,067,696)	(\$6,172,153)	(\$4,994,814)	36

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

	2012	2011	2010	2009	2008
37 Net Operating Income	(\$5,312,905)	(\$5,469,569)	(\$6,067,696)	(\$6,172,153)	(\$4,994,814)
NON-OPERATING INCOME & EXPENSES					
38 Dividend Income					
39 Interest Income	2,709	98,156	132,512	51,665	69,631
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property	59,723	77,594	143,261	97,202	12,181
43 Equity in Earnings of Affiliated Companies	(5,163,008)	(4,075,338)	(3,241,114)	323,799	467,728
44 Other Non-Operating Income	8,860,281	7,930,786	12,616,060	12,502,530	10,436,103
45 Special Charges	(838,645)	(1,131,423)	428,210	32,067	64,955
46 Total Non-Operating Income & Expenses	4,598,350	2,899,775	9,222,509	12,943,129	10,920,688
NON-OPERATING TAXES					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	(714,555)	(2,569,794)	3,154,813	6,770,976	5,925,874
INTEREST CHARGES					
51 Interest on Funded Debt	10,080	161,933	99,231	148,159	328,803
52 Other Interest Expense	342,963	580	666	(47,519)	(218,114)
53 Total Interest Charges	353,043	162,513	99,897	100,640	110,689
54 Income Before Extraordinary & Nonreg Items	(1,067,598)	(2,732,307)	3,054,916	6,670,336	5,815,185
EXTRAORDINARY & NONREG ITEMS					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 Net Income	(\$1,067,598)	(\$2,732,307)	\$3,054,916	\$6,670,336	\$5,815,185
RETAINED EARNINGS STATEMENT					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$25,711,756	\$36,433,998	\$37,795,488	\$35,092,818	\$36,728,567
60 Transferred from Income	(1,067,598)	(2,732,307)	3,036,167	6,346,536	5,347,459
61 Appropriations					
Dividends Declared:					
62 Preferred Stock		25,000	25,000	25,000	25,000
63 Common Stock		5,769,890	5,198,512	4,735,742	4,289,024
64 Adjustments	24,900,945	2,195,045	825,855	1,116,876	(2,669,184)
65 Ending Year Balance	(256,787)	25,711,756	36,433,998	37,795,488	35,092,818
66 Appropriated/Undistr Affiliate Retained Earnings				323,799	467,728
67 Total Retained Earnings	(\$256,787)	\$25,711,756	\$36,433,998	\$38,119,287	\$35,560,546