

Table 1 T

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$57,273	\$93,570	\$64,956	\$62,093	\$65,465
2 Accounts Receivable (Net)	3,552,018	1,186,783	1,145,749	1,083,608	1,036,254
3 Current Deferred Income Taxes	230	260	288	303	254
4 Other Current Assets	161,385	208,608	134,014	143,577	146,126
5 Total Current Assets	3,770,906	1,489,220	1,345,007	1,289,582	1,248,099
<b>NON-CURRENT ASSETS</b>					
6 Investments	1,136,961	956,615	1,066,353	528,648	796,586
7 Unamortized Debt Issuance Costs	3,464	3,570	5,007	5,267	6,221
8 Deferred Charges	105,425	98,808	105,015	103,004	88,453
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	11,486	12,655	12,825	11,873	10,841
11 Other Non-Current Assets	368,937	238,271	255,793	456,249	681,504
12 Total Non-Current Assets	1,626,273	1,309,919	1,444,994	1,105,041	1,583,605
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	32,184,971	31,737,248	30,973,570	33,595,799	33,438,798
14 Less: Accumulated Depr and Amort.	20,945,772	20,494,613	19,680,071	22,095,151	21,903,048
15 Net Regulated Plant	11,239,199	11,242,635	11,293,499	11,500,649	11,535,750
16 Total Assets & Other Debits	\$16,636,378	\$14,041,774	\$14,083,500	\$13,895,272	\$14,367,455
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$3,293,805	\$861,559	\$975,294	\$768,200	\$643,386
18 Notes Payable	8,215,383	7,313,276	7,138,768	5,447,996	3,624,800
19 Advanced Billings	165,421	145,852	179,050	182,311	172,707
20 Customer Deposits	3,372	4,169	4,569	3,502	8,032
21 Current Maturities - Long-Term Debt	3,512	3,287	204,679	6,286	7,428
22 Current Deferred Income Taxes	(72,791)	(14,652)	(354,974)	(331,744)	(103,617)
23 Other Current Liabilities	387,144	366,080	54,536	178,978	433,939
24 Total Current Liabilities	11,995,846	8,679,571	8,201,921	6,255,530	4,786,675
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	608,843	611,236	1,063,613	1,266,266	2,269,733
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC	9,056	10,718	12,381	14,044	16,787
27 Non-Current Deferred Taxes	111,399	793,822	(83,710)	334,061	475,260
28 Other Deferred Credits	67,086	121,736	177,000	213,246	296,659
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	8,176,760	6,424,005	8,031,958	7,338,603	6,115,302
31 Total Other Liab. and Def. Credits	8,364,301	7,350,282	8,137,629	7,899,953	6,904,008
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	29,494	29,494	29,494	29,557	29,554
33 Preferred Stock	410	416	419	924	924
34 Other Paid in Capital	4,932,727	4,933,871	4,936,693	4,914,278	4,793,164
35 Retained Earnings	(9,295,243)	(7,563,096)	(8,286,268)	(6,471,235)	(4,416,604)
36 Total Stockholder's Equity	(4,332,612)	(2,599,315)	(3,319,663)	(1,526,477)	407,039
37 Total Liab. and Stockholder's Equity	\$16,636,378	\$14,041,774	\$14,083,500	\$13,895,272	\$14,367,455

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,294,113	\$1,404,914	\$1,580,742	\$1,763,052	\$1,971,084	1
Network Access Services	2,536,558	2,501,495	2,450,013	2,431,420	2,412,339	2
Long Distance Network Services	87,843	107,573	93,667	104,169	115,978	3
Miscellaneous Revenues	1,903,541	1,713,985	1,593,830	1,425,335	1,251,934	4
Less: Uncollectible Revenues	34,248	30,382	41,861	32,117	62,502	5
<b>Total Operating Revenues</b>	<b>5,787,807</b>	<b>5,697,585</b>	<b>5,675,072</b>	<b>5,691,859</b>	<b>5,688,834</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	56,181	62,108	58,400	20,863	5,281	7
General Support Expenses	397,818	446,860	396,816	390,228	418,046	8
Central Office Switching	144,964	143,367	172,176	171,689	213,156	9
Operator Systems Expense	111	116	327	462	580	10
Central Office Transmission	119,823	145,619	133,339	126,410	148,719	11
Info. Origination/Termination	1,213,458	1,085,202	1,040,545	906,731	810,540	12
Cable & Wire Facilities	734,184	578,208	872,094	927,893	962,250	13
<b>Total Plant Specific Operations</b>	<b>2,666,539</b>	<b>2,461,481</b>	<b>2,673,695</b>	<b>2,544,276</b>	<b>2,558,572</b>	<b>14</b>
Other Plant, Property & Equipment	23,614	550	3,174	1,536	1,317	15
Network Operations	787,788	670,893	623,580	674,006	1,697,530	16
Access Expense	111,220	128,963	143,876	105,745	104,748	17
Depreciation and Amortization	1,188,345	1,154,146	1,314,303	1,365,793	1,371,267	18
<b>Total Plant Non-Specific Operations</b>	<b>2,110,967</b>	<b>1,954,552</b>	<b>2,084,933</b>	<b>2,147,081</b>	<b>3,174,862</b>	<b>19</b>
Marketing Expense	364,603	374,768	319,190	325,331	332,279	20
Services Expense	457,499	453,613	449,356	508,667	620,900	21
<b>Total Customer Operations</b>	<b>822,102</b>	<b>828,382</b>	<b>768,546</b>	<b>833,998</b>	<b>953,179</b>	<b>22</b>
Executive & Planning	40,162	37,879	45,340	44,991	50,112	23
General & Administrative	2,637,804	(1,002,946)	2,589,075	2,369,302	1,051,921	24
Provision - Uncollectible Notes Rec.						25
Other				40		26
<b>Total Corporate Operations</b>	<b>2,677,966</b>	<b>(965,068)</b>	<b>2,634,415</b>	<b>2,414,334</b>	<b>1,102,032</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>8,277,574</b>	<b>4,279,347</b>	<b>8,161,204</b>	<b>7,939,689</b>	<b>7,788,646</b>	<b>28</b>
Other Operating Income & Expenses	41,002	83,433	6,802	25,319	66,455	29
State & Local Income Taxes	(5,712)	(42,413)	(54,075)	(4,877)	(12,250)	30
Other Taxes	517,906	494,166	452,565	502,662	465,409	31
<b>Net Operating Income Before FIT</b>	<b>(2,960,958)</b>	<b>1,049,920</b>	<b>(2,877,821)</b>	<b>(2,720,296)</b>	<b>(2,486,517)</b>	<b>32</b>
Investment Tax Credits - Net	1,663	1,663	1,663	2,743	582	33
Federal Income Taxes	(608,914)	(964,030)	(811,741)	(693,307)	(1,071,347)	34
Provision - Def. Operating Income Taxes - Net	(683,769)	1,203,046	(335,099)	(354,777)	119,566	35
<b>Net Operating Income</b>	<b>(\$1,666,612)</b>	<b>\$812,566</b>	<b>(\$1,729,318)</b>	<b>(\$1,669,469)</b>	<b>(\$1,534,154)</b>	<b>36</b>

Table 3 T

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(1,666,612)	812,608	(1,729,318)	(1,669,469)	(1,534,154)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	247	249	220	159	263
39 Interest Income	1,017	1,060	1,180	(20,495)	4,991
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	28,092	15,437	14,887	18,262	14,457
42 Gains/Losses - Disposal of Property	19	41	59	78	143
43 Equity in Earnings of Affiliated Companies	308,768	415,303	330,568	425,668	488,620
44 Other Non-Operating Income	(98,943)	(70,701)	(51,435)	(15,758)	(7,221)
45 Special Charges	7,904	7,062	12,494	3,094	11,184
46 Total Non-Operating Income & Expenses	231,297	354,327	282,985	402,581	490,068
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(21,540)	34,407	(10,916)	3,477	12,447
48 Other	(34,526)	1,350	(57,970)	3,833	4,073
49 Total Non-Operating Taxes	(56,067)	35,757	(68,886)	7,310	16,519
50 Income Available Before Interest Charges	(1,379,249)	1,131,178	(1,377,447)	(1,274,198)	(1,060,605)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	44,055	77,409	89,416	152,781	171,443
52 Other Interest Expense	304,486	298,019	244,712	163,051	181,736
53 Total Interest Charges	348,540	375,428	334,128	315,832	353,179
54 Income Before Extraordinary & Nonreg Items	(1,727,789)	755,750	(1,711,574)	(1,590,030)	(1,413,784)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	55,250	53,910	49,669	45,492	52,795
57 Total Extraordinary & Nonregulated Items	55,250	53,910	49,669	44,791	52,064
58 <b>Net Income</b>	(\$167,220)	\$80,950	(\$166,157)	(\$154,493)	(\$136,145)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$8,181,233)	(\$8,791,302)	(\$6,838,176)	(\$4,788,636)	(\$3,601,060)
60 Transferred from Income	(2,034,525)	342,425	(2,045,234)	(2,018,296)	(1,901,650)
61 Appropriations		7		1,134	2,921
Dividends Declared:					
62 Preferred Stock	23	23	23	48	48
63 Common Stock	1,324	29,595	5,003	406,825	267,348
64 Adjustments	300,551	300,043	148,326	381,155	984,392
65 Ending Year Balance	(9,916,538)	(8,178,458)	(8,789,495)	(6,838,176)	(4,788,636)
66 Appropriated/Undistr Affiliate Retained Earnings	621,296	615,362	503,227	378,304	372,033
67 <b>Total Retained Earnings</b>	(\$9,295,243)	(\$7,563,096)	(\$8,286,268)	(\$6,459,872)	(\$4,416,604)

Table 1 WT

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$59,634	\$56,437	\$52,552	\$56,828	\$65,465
2 Accounts Receivable (Net)	163,835	237,468	244,395	244,709	189,603
3 Current Deferred Income Taxes	230	260	288	303	254
4 Other Current Assets	21,747	23,422	22,583	20,565	22,001
5 Total Current Assets	245,445	317,587	319,818	322,404	277,323
<b>NON-CURRENT ASSETS</b>					
6 Investments	456,617	281,000	502,617	89,291	359,873
7 Unamortized Debt Issuance Costs	50	58	66	123	118
8 Deferred Charges	4,401	4,358	5,709	5,511	5,221
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	11,486	12,655	12,825	11,873	10,841
11 Other Non-Current Assets	204,545	204,259	205,302	207,810	209,955
12 Total Non-Current Assets	677,099	502,330	726,520	314,607	586,008
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	3,890,948	3,858,397	3,831,168	3,792,101	3,753,128
14 Less: Accumulated Depr and Amort.	3,240,163	3,132,200	3,025,399	2,907,889	2,776,922
15 Net Regulated Plant	650,785	726,197	805,768	884,213	976,206
16 Total Assets & Other Debits	\$1,573,329	\$1,546,114	\$1,852,107	\$1,521,224	\$1,839,538
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$134,666	\$158,519	\$503,421	\$213,639	\$127,032
18 Notes Payable	6,604	6,291	6,052	10,657	6,146
19 Advanced Billings	11,092	11,638	12,190	12,721	13,362
20 Customer Deposits	26	33	109	56	71
21 Current Maturities - Long-Term Debt	1,927	1,431	3,490	4,967	6,150
22 Current Deferred Income Taxes	(41)	(39)	(33)	(60)	(2)
23 Other Current Liabilities	23,084	21,674	16,802	19,255	19,155
24 Total Current Liabilities	177,358	199,547	542,031	261,236	171,913
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	10,492	12,026	13,727	15,553	18,998
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	268,765	240,325	213,900	210,087	205,539
28 Other Deferred Credits	(2,331)	1,280	5,943	9,347	13,234
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	214,476	199,717	190,010	180,925	170,012
31 Total Other Liab. and Def. Credits	480,910	441,322	409,852	400,359	388,785
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	28,494	28,494	28,494	28,557	28,554
33 Preferred Stock	410	416	419	924	924
34 Other Paid in Capital	566,755	567,900	571,025	548,610	547,836
35 Retained Earnings	308,909	296,408	286,559	265,987	682,528
36 Total Stockholder's Equity	904,568	893,218	886,497	844,077	1,259,842
37 Total Liab. and Stockholder's Equity	\$1,573,329	\$1,546,114	\$1,852,107	\$1,521,224	\$1,839,538

Table 2 WT

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$173,704	\$187,286	\$204,993	\$220,121	\$240,151	1
Network Access Services	235,644	254,084	284,842	298,750	303,178	2
Long Distance Network Services	2,845	2,288	2,710	3,280	3,110	3
Miscellaneous Revenues	146,805	148,732	151,201	155,826	168,419	4
Less: Uncollectible Revenues	1,668	4,397	6,364	7,949	8,369	5
<b>Total Operating Revenues</b>	<b>557,330</b>	<b>587,993</b>	<b>637,383</b>	<b>670,027</b>	<b>706,489</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	6,965	6,783	773	12,573	1,516	7
General Support Expenses	32,311	29,359	32,015	39,194	37,917	8
Central Office Switching	19,560	21,314	22,071	23,048	21,385	9
Operator Systems Expense	30	39	76	344	370	10
Central Office Transmission	11,910	12,270	12,486	13,005	13,649	11
Info. Origination/Termination	14,744	16,253	15,967	19,175	16,471	12
Cable & Wire Facilities	45,178	50,428	54,424	55,138	54,042	13
<b>Total Plant Specific Operations</b>	<b>130,698</b>	<b>136,446</b>	<b>137,811</b>	<b>162,477</b>	<b>145,350</b>	<b>14</b>
Other Plant, Property & Equipment	38	128	407	179	241	15
Network Operations	47,449	43,976	46,226	44,382	44,216	16
Access Expense	13,121	13,492	16,690	15,754	15,004	17
Depreciation and Amortization	127,102	133,677	141,886	152,287	153,300	18
<b>Total Plant Non-Specific Operations</b>	<b>187,711</b>	<b>191,272</b>	<b>205,209</b>	<b>212,602</b>	<b>212,761</b>	<b>19</b>
Marketing Expense	22,586	19,008	24,573	26,521	25,326	20
Services Expense	52,496	52,884	55,971	63,013	59,844	21
<b>Total Customer Operations</b>	<b>75,083</b>	<b>71,893</b>	<b>80,544</b>	<b>89,535</b>	<b>85,170</b>	<b>22</b>
Executive & Planning	13,877	12,068	14,645	16,298	20,157	23
General & Administrative	59,933	53,039	66,778	69,601	85,432	24
Provision - Uncollectible Notes Rec.						25
Other				40		26
<b>Total Corporate Operations</b>	<b>73,811</b>	<b>65,107</b>	<b>81,423</b>	<b>85,939</b>	<b>105,589</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>467,301</b>	<b>464,718</b>	<b>504,987</b>	<b>550,553</b>	<b>548,870</b>	<b>28</b>
Other Operating Income & Expenses	11	44	2	(82)	10	29
State & Local Income Taxes	185	169	154	149	196	30
Other Taxes	43,856	44,202	43,462	39,289	45,332	31
<b>Net Operating Income Before FIT</b>	<b>45,998</b>	<b>78,948</b>	<b>88,782</b>	<b>79,954</b>	<b>112,102</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(34,324)	(19,669)	(1,236)	(7,720)	(5,443)	34
Provision - Def. Operating Income Taxes - Net	29,251	26,254	14,376	19,039	27,459	35
<b>Net Operating Income</b>	<b>\$51,072</b>	<b>\$72,364</b>	<b>\$75,642</b>	<b>\$68,635</b>	<b>\$90,085</b>	<b>36</b>

Table 3 WT

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$51,072	\$72,406	\$74,708	\$68,635	\$90,085
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	476	519	639	703	749
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	85	155	193	630	465
42 Gains/Losses - Disposal of Property	19	41	59	78	143
43 Equity in Earnings of Affiliated Companies	4,038	3,425	(1,814)	(976)	(181)
44 Other Non-Operating Income	(10,054)	(4,574)	3,606	2,656	7,565
45 Special Charges	789	476	(257)	(2,593)	3,096
46 Total Non-Operating Income & Expenses	(6,224)	(910)	2,940	5,683	5,645
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	12,465	14,874	12,756	11,440	13,445
48 Other	100	(10)	99	(37)	127
49 Total Non-Operating Taxes	12,565	14,864	12,855	11,404	13,572
50 Income Available Before Interest Charges	32,283	56,632	64,793	62,914	82,158
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	540	662	930	1,242	1,534
52 Other Interest Expense	15,131	13,793	12,874	11,531	10,501
53 Total Interest Charges	15,671	14,454	13,803	12,773	12,036
54 Income Before Extraordinary & Nonreg Items	16,612	42,178	50,989	50,142	70,123
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	55,250	53,910	49,669	45,492	52,795
57 Total Extraordinary & Nonregulated Items	55,250	53,910	49,669	45,492	52,795
58 <b>Net Income</b>	<b>\$71,862</b>	<b>\$96,088</b>	<b>\$100,658</b>	<b>\$95,633</b>	<b>\$122,917</b>
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$288,885	\$280,262	\$273,401	\$678,205	\$876,005
60 Transferred from Income	14,853	40,980	49,932	46,439	71,320
61 Appropriations		7		1,134	2,921
Dividends Declared:					
62 Preferred Stock	23	23	23	48	48
63 Common Stock	1,324	29,595	5,003	406,825	267,348
64 Adjustments	551	43	13,148	(38,845)	1,198
65 Ending Year Balance	302,958	291,661	282,069	273,401	678,205
66 Appropriated/Undistr Affiliate Retained Earnings	5,951	4,748	4,491	3,950	4,323
67 <b>Total Retained Earnings</b>	<b>308,909</b>	<b>296,408</b>	<b>286,559</b>	<b>277,350</b>	<b>682,528</b>

Table 1 AT

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	(\$502)	\$38,503	\$13,913	\$5,650	\$1,720
2 Accounts Receivable (Net)	3,443,417	1,072,661	1,036,044	977,882	952,831
3 Current Deferred Income Taxes					
4 Other Current Assets	145,654	192,988	119,487	130,240	131,060
5 Total Current Assets	3,588,568	1,304,152	1,169,445	1,113,772	1,085,611
<b>NON-CURRENT ASSETS</b>					
6 Investments	909,818	769,999	863,704	375,552	564,885
7 Unamortized Debt Issuance Costs	3,414	3,513	4,941	5,144	6,103
8 Deferred Charges	101,024	94,450	99,321	97,508	83,248
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	347,976	217,747	234,391	432,505	655,779
12 Total Non-Current Assets	1,362,231	1,085,709	1,202,357	910,709	1,310,015
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	31,034,552	30,595,504	29,840,214	32,478,682	32,330,870
14 Less: Accumulated Depr and Amort.	20,037,622	19,612,443	18,820,673	21,266,084	21,103,326
15 Net Regulated Plant	10,996,930	10,983,062	11,019,542	11,212,598	11,227,545
16 Total Assets & Other Debits	\$15,947,730	\$13,372,923	\$13,391,343	\$13,237,079	\$13,623,171
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$3,218,025	\$788,617	\$867,200	\$697,736	\$585,422
18 Notes Payable	8,208,779	7,306,986	7,132,716	5,437,338	3,618,654
19 Advanced Billings	162,389	142,627	175,561	178,561	168,697
20 Customer Deposits	3,347	4,136	4,519	3,448	7,962
21 Current Maturities - Long-Term Debt	1,585	1,856	201,189	1,319	1,278
22 Current Deferred Income Taxes	(72,751)	(14,613)	(354,941)	(331,684)	(103,615)
23 Other Current Liabilities	372,212	350,904	39,960	165,996	422,168
24 Total Current Liabilities	11,893,586	8,580,513	8,066,203	6,152,714	4,700,566
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	598,351	599,210	1,049,886	1,250,714	2,250,736
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC	9,056	10,718	12,381	14,044	16,787
27 Non-Current Deferred Taxes	42,142	733,701	(133,236)	283,025	423,450
28 Other Deferred Credits	49,284	103,292	157,479	192,812	274,466
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	8,141,632	6,390,584	7,996,355	7,301,307	6,079,175
31 Total Other Liab. and Def. Credits	8,242,114	7,238,296	8,032,979	7,791,187	6,793,878
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	1,001	1,001	1,001	1,001	1,001
33 Preferred Stock					
34 Other Paid in Capital	4,817,208	4,817,208	4,816,905	4,816,905	4,696,565
35 Retained Earnings	(9,604,529)	(7,863,305)	(8,575,630)	(6,775,442)	(4,819,575)
36 Total Stockholder's Equity	(4,786,320)	(3,045,096)	(3,757,725)	(1,957,537)	(122,009)
37 Total Liab. and Stockholder's Equity	\$15,947,730	\$13,372,923	\$13,391,343	\$13,237,079	\$13,623,171

Table 2 AT

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,235,971	\$1,344,188	\$1,515,999	\$1,694,551	\$1,899,104	1
Network Access Services	2,436,495	2,396,682	2,340,363	2,316,593	2,294,666	2
Long Distance Network Services	85,192	105,498	91,199	101,202	113,257	3
Miscellaneous Revenues	1,866,164	1,674,972	1,552,899	1,381,434	1,204,976	4
Less: Uncollectible Revenues	33,269	29,596	40,124	30,288	60,688	5
Total Operating Revenues	5,590,554	5,491,743	5,460,337	5,463,493	5,451,315	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	55,361	61,183	58,054	8,945	4,901	7
General Support Expenses	385,784	434,315	383,281	375,780	401,985	8
Central Office Switching	136,033	133,404	161,271	160,426	202,269	9
Operator Systems Expense	109	113	321	419	528	10
Central Office Transmission	112,354	138,255	126,122	118,968	141,713	11
Info. Origination/Termination	1,209,883	1,081,376	1,036,118	900,804	805,327	12
Cable & Wire Facilities	719,312	562,183	855,388	910,924	946,619	13
Total Plant Specific Operations	2,618,835	2,410,830	2,620,555	2,476,266	2,503,341	14
Other Plant, Property & Equipment	23,574	475	2,956	1,356	1,075	15
Network Operations	772,641	657,104	608,694	656,536	1,681,557	16
Access Expense	105,519	123,536	137,235	99,018	98,506	17
Depreciation and Amortization	1,149,309	1,114,837	1,273,524	1,322,733	1,326,501	18
Total Plant Non-Specific Operations	2,051,043	1,895,952	2,022,410	2,079,643	3,107,639	19
Marketing Expense	358,634	369,099	312,173	316,407	323,777	20
Services Expense	442,964	438,354	431,596	489,140	601,642	21
Total Customer Operations	801,598	807,453	743,769	805,547	925,419	22
Executive & Planning	31,365	28,868	34,165	33,933	38,415	23
General & Administrative	2,609,588	(1,027,783)	2,560,597	2,350,108	1,022,111	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	2,640,953	(998,915)	2,594,762	2,384,040	1,060,526	27
Total Operations Expense	8,112,429	4,115,319	7,981,495	7,745,496	7,596,925	28
Other Operating Income & Expenses	40,991	83,389	6,800	25,400	66,444	29
State & Local Income Taxes	(5,897)	(42,583)	(54,229)	(5,026)	(12,446)	30
Other Taxes	503,506	479,806	437,895	488,991	450,923	31
<b>Net Operating Income Before FIT</b>	<b>(2,978,493)</b>	<b>1,022,591</b>	<b>(2,898,024)</b>	<b>(2,740,569)</b>	<b>(2,517,642)</b>	<b>32</b>
Investment Tax Credits - Net	1,663	1,663	1,663	2,743	582	33
Federal Income Taxes	(602,133)	(959,769)	(807,097)	(686,682)	(1,071,342)	34
Provision - Def. Operating Income Taxes - Net	(693,715)	1,192,623	(345,669)	(366,926)	109,245	35
<b>Net Operating Income</b>	<b>(\$1,680,983)</b>	<b>\$791,399</b>	<b>(\$1,743,596)</b>	<b>(\$1,684,217)</b>	<b>(\$1,554,963)</b>	<b>36</b>

Table 3 AT

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$1,680,983)	\$791,399	(\$1,743,596)	(\$1,684,217)	(\$1,554,963)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	541	541	541	(21,198)	4,242
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	28,046	15,330	14,786	18,157	14,414
42 Gains/Losses - Disposal of Property	2		(1)		
43 Equity in Earnings of Affiliated Companies	304,730	411,878	332,382	426,645	488,801
44 Other Non-Operating Income	(98,402)	(69,250)	(58,378)	(21,998)	(18,678)
45 Special Charges	7,135	6,596	12,810	5,709	8,254
46 Total Non-Operating Income & Expenses	227,782	351,903	276,521	395,897	480,525
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(23,458)	31,545	(12,947)	649	9,230
48 Other	(34,627)	1,360	(58,069)	3,870	3,946
49 Total Non-Operating Taxes	(58,085)	32,905	(71,016)	4,518	13,176
50 Income Available Before Interest Charges	(1,395,116)	1,110,397	(1,396,059)	(1,292,838)	(1,087,615)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	43,515	76,748	88,486	151,539	169,909
52 Other Interest Expense	302,594	296,324	242,822	161,491	180,289
53 Total Interest Charges	346,109	373,072	331,308	313,030	350,198
54 Income Before Extraordinary & Nonreg Items	(1,741,224)	737,325	(1,727,367)	(1,605,867)	(1,437,813)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	52,001	50,413	47,033	43,081	47,212
57 Total Extraordinary & Nonregulated Items	52,001	50,413	47,033	43,081	47,212
58 <b>Net Income</b>	(\$1,689,223)	\$787,738	(\$1,680,334)	(\$1,562,786)	(\$1,390,600)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$8,473,919)	(\$9,074,367)	(\$7,149,796)	(\$5,187,285)	(\$3,993,866)
60 Transferred from Income	(2,045,954)	325,448	(2,059,749)	(2,032,512)	(1,926,613)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		25,000		350,000	250,000
64 Adjustments	300,000	300,000	135,179	420,000	983,194
65 Ending Year Balance	(10,219,873)	(8,473,919)	(9,074,367)	(7,149,796)	(5,187,285)
66 Appropriated/Undistr Affiliate Retained Earnings	615,344	610,614	498,736	374,354	367,710
67 <b>Total Retained Earnings</b>	(\$9,604,529)	(\$7,863,305)	(\$8,575,630)	(\$6,775,442)	(\$4,819,575)

Table 1 BT

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$57,775	\$55,067	\$51,043	\$56,444	\$63,745
2 Accounts Receivable (Net)	108,601	114,121	109,705	105,726	83,423
3 Current Deferred Income Taxes	230	260	288	303	254
4 Other Current Assets	15,731	15,619	14,526	13,337	15,066
5 Total Current Assets	182,338	185,068	175,562	175,810	162,488
<b>NON-CURRENT ASSETS</b>					
6 Investments	227,144	186,616	202,649	153,097	231,701
7 Unamortized Debt Issuance Costs	50	58	66	123	118
8 Deferred Charges	4,401	4,358	5,694	5,495	5,205
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	11,486	12,655	12,825	11,873	10,841
11 Other Non-Current Assets	20,961	20,524	21,402	23,744	25,725
12 Total Non-Current Assets	264,042	224,210	242,637	194,332	273,590
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	1,150,419	1,141,744	1,133,356	1,117,117	1,107,927
14 Less: Accumulated Depr and Amort.	908,150	882,170	859,398	829,066	799,722
15 Net Regulated Plant	242,269	259,573	273,958	288,051	308,205
16 Total Assets & Other Debits	\$688,648	\$668,852	\$692,157	\$658,193	\$744,284
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$75,780	\$72,942	\$108,095	\$70,464	\$57,964
18 Notes Payable	6,604	6,291	6,052	10,657	6,146
19 Advanced Billings	3,032	3,225	3,488	3,750	4,010
20 Customer Deposits	26	33	50	54	70
21 Current Maturities - Long-Term Debt	1,927	1,431	3,490	4,967	6,150
22 Current Deferred Income Taxes	(41)	(39)	(33)	(60)	(2)
23 Other Current Liabilities	14,932	15,175	14,576	12,983	11,771
24 Total Current Liabilities	102,260	99,059	135,718	102,816	86,109
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	10,492	12,026	13,727	15,553	18,998
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	69,256	60,121	49,526	51,036	51,810
28 Other Deferred Credits	17,802	18,444	19,521	20,434	22,193
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	35,129	33,421	35,603	37,296	36,126
31 Total Other Liab. and Def. Credits	122,187	111,986	104,650	108,765	110,129
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	28,493	28,493	28,493	28,556	28,553
33 Preferred Stock	410	416	419	924	924
34 Other Paid in Capital	115,518	116,663	119,788	97,373	96,599
35 Retained Earnings	309,287	300,209	289,362	304,207	402,971
36 Total Stockholder's Equity	453,708	445,781	438,062	431,059	529,048
37 Total Liab. and Stockholder's Equity	\$688,648	\$668,852	\$692,157	\$658,193	\$744,284

**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	\$58,142	\$60,726	\$64,743	\$68,501	\$71,980	1
Network Access Services	100,063	104,813	109,650	114,828	117,673	2
Long Distance Network Services	2,651	2,075	2,469	2,967	2,721	3
Miscellaneous Revenues	37,377	39,014	40,931	43,900	46,958	4
Less: Uncollectible Revenues	979	786	1,738	1,830	1,814	5
<b>Total Operating Revenues</b>	<b>197,254</b>	<b>205,842</b>	<b>214,735</b>	<b>228,367</b>	<b>237,519</b>	<b>6</b>

**TELEPHONE OPERATING EXPENSES**

Network Support Expenses	820	925	346	11,918	380	7
General Support Expenses	12,033	12,545	13,535	14,448	16,062	8
Central Office Switching	8,930	9,962	10,905	11,263	10,886	9
Operator Systems Expense	2	3	6	43	51	10
Central Office Transmission	7,469	7,364	7,216	7,441	7,006	11
Info. Origination/Termination	3,576	3,825	4,426	5,927	5,214	12
Cable & Wire Facilities	14,873	16,025	16,706	16,969	15,632	13
<b>Total Plant Specific Operations</b>	<b>47,704</b>	<b>50,651</b>	<b>53,140</b>	<b>68,010</b>	<b>55,231</b>	<b>14</b>
Other Plant, Property & Equipment	40	75	218	181	242	15
Network Operations	15,147	13,790	14,886	17,470	15,973	16
Access Expense	5,701	5,427	6,641	6,727	6,243	17
Depreciation and Amortization	39,036	39,309	40,778	43,059	44,766	18
<b>Total Plant Non-Specific Operations</b>	<b>59,924</b>	<b>58,600</b>	<b>62,523</b>	<b>67,438</b>	<b>67,224</b>	<b>19</b>
Marketing Expense	5,969	5,669	7,017	8,924	8,502	20
Services Expense	14,535	15,260	17,761	19,527	19,258	21
<b>Total Customer Operations</b>	<b>20,504</b>	<b>20,929</b>	<b>24,777</b>	<b>28,451</b>	<b>27,760</b>	<b>22</b>
Executive & Planning	8,797	9,011	11,175	11,059	11,697	23
General & Administrative	28,216	24,836	28,478	19,195	29,810	24
Provision - Uncollectible Notes Rec.						25
Other				40		26
<b>Total Corporate Operations</b>	<b>37,013</b>	<b>33,847</b>	<b>39,654</b>	<b>30,293</b>	<b>41,506</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>165,144</b>	<b>164,028</b>	<b>179,709</b>	<b>194,192</b>	<b>191,721</b>	<b>28</b>
Other Operating Income & Expenses	11	44	2	(82)	10	29
State & Local Income Taxes	185	169	154	149	196	30
Other Taxes	14,400	14,360	14,671	13,671	14,486	31
<b>Net Operating Income Before FIT</b>	<b>17,535</b>	<b>27,329</b>	<b>20,204</b>	<b>20,272</b>	<b>31,125</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(6,781)	(4,261)	(4,644)	(6,625)	(5)	34
Provision - Def. Operating Income Taxes - Net	9,946	10,423	10,570	12,150	10,321	35
<b>Net Operating Income</b>	<b>\$14,371</b>	<b>\$21,209</b>	<b>\$14,278</b>	<b>\$14,748</b>	<b>\$20,810</b>	<b>36</b>

Table 3 BT

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$14,371	\$21,209	\$14,278	\$14,748	\$20,810
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	\$247	\$249	\$220	\$159	263
39 Interest Income	\$476	\$519	\$639	703	749
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	\$46	\$107	\$101	105	43
42 Gains/Losses - Disposal of Property	\$18	\$41	\$60	78	143
43 Equity in Earnings of Affiliated Companies	\$4,038	\$3,425	(\$1,814)	(976)	(181)
44 Other Non-Operating Income	(\$541)	(\$1,451)	\$6,943	6,240	11,456
45 Special Charges	\$769	\$466	(\$316)	(2,615)	2,930
46 Total Non-Operating Income & Expenses	\$3,515	\$2,424	\$6,465	6,684	9,543
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	\$1,918	\$2,862	\$2,031	2,829	3,216
48 Other	\$100	(\$10)	\$99	(37)	127
49 Total Non-Operating Taxes	\$2,018	\$2,852	\$2,131	2,792	3,343
50 Income Available Before Interest Charges	\$15,867	\$20,781	\$18,612	18,640	27,010
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	\$540	\$662	\$930	1,242	1,534
52 Other Interest Expense	\$1,892	\$1,695	\$1,890	1,561	1,446
53 Total Interest Charges	\$2,432	\$2,356	\$2,820	2,802	2,981
54 Income Before Extraordinary & Nonreg Items	\$13,435	\$18,425	\$15,792	15,837	24,029
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	\$3,249	\$3,497	\$2,636	2,411	5,582
57 Total Extraordinary & Nonregulated Items	\$3,249	\$3,497	\$2,636	1,710	4,852
58 <b>Net Income</b>	\$16,684	\$21,921	\$18,428	\$17,547	\$28,881
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$292,686	\$283,065	\$311,621	\$398,649	\$392,805
60 Transferred from Income	11,429	16,978	14,515	14,215	24,964
61 Appropriations		7		1,134	2,921
Dividends Declared:					
62 Preferred Stock	23	23	23	48	48
63 Common Stock	1,324	4,595	5,003	56,825	17,348
64 Adjustments	551	43	13,148	(38,845)	1,198
65 Ending Year Balance	303,335	295,461	284,871	311,621	398,649
66 Appropriated/Undistr Affiliate Retained Earnings	5,951	4,748	4,491	3,950	4,323
67 <b>Total Retained Earnings</b>	\$309,287	\$300,209	\$289,362	\$315,570	\$402,971

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$36,587,811	\$34,047,269	\$29,784,032	\$31,833,484	\$29,119,453
2 Accounts Receivable (Net)	6,718,942	7,326,251	9,503,149	4,836,991	4,434,796
3 Current Deferred Income Taxes					
4 Other Current Assets	461,744	492,934	502,400	490,397	2,017,154
5 Total Current Assets	43,768,497	41,866,454	39,789,581	37,160,872	35,571,403
<b>NON-CURRENT ASSETS</b>					
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	86,579	123,105	218,609	346,414	484,446
12 Total Non-Current Assets	86,579	123,105	218,609	346,414	484,446
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	243,285,663	239,987,852	231,685,353	223,507,156	219,783,008
14 Less: Accumulated Depr and Amort.	192,829,894	184,934,217	177,728,068	169,303,614	161,406,175
15 Net Regulated Plant	50,455,769	55,053,635	53,957,285	54,203,542	58,376,833
16 <b>Total Assets &amp; Other Debits</b>	<b>\$94,310,845</b>	<b>\$97,043,194</b>	<b>\$93,965,475</b>	<b>\$91,710,828</b>	<b>\$94,432,682</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$1,338,179	\$1,874,825	(\$227,403)	(\$113,197)	\$2,255,870
18 Notes Payable					
19 Advanced Billings	173,489	237,311	244,264	259,222	307,659
20 Customer Deposits	850	850	850	850	878
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	3,533,721	4,513,809	5,155,213	2,001,108	1,587,876
24 Total Current Liabilities	5,046,239	6,626,795	5,172,924	2,147,983	4,152,283
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	9,073,877	10,290,691	10,528,723	11,753,532	12,443,877
28 Other Deferred Credits	1,160,347	1,161,377	1,199,246	1,204,892	1,356,691
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	10,234,224	11,452,068	11,727,969	12,958,424	13,800,568
<b>STOCKHOLDER'S EQUITY</b>					
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	7,310,322	7,310,322
35 Retained Earnings	55,014,667	54,948,616	53,048,867	52,588,706	52,464,116
36 Total Stockholder's Equity	79,030,382	78,964,331	77,064,582	76,604,421	76,479,831
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$94,310,845</b>	<b>\$97,043,194</b>	<b>\$93,965,475</b>	<b>\$91,710,828</b>	<b>\$94,432,682</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$12,798,954	\$13,645,381	\$14,118,783	\$14,753,010	\$15,657,419	1
Network Access Services	14,573,707	16,689,802	17,544,838	17,724,659	18,080,383	2
Long Distance Network Services	469,471	412,169	528,501	571,977	643,455	3
Miscellaneous Revenues	4,825,964	4,986,084	5,424,862	5,563,322	5,626,395	4
Less: Uncollectible Revenues	337,481	386,201	421,122	457,089	438,410	5
<b>Total Operating Revenues</b>	<b>32,330,615</b>	<b>35,347,235</b>	<b>37,195,862</b>	<b>38,155,879</b>	<b>39,569,242</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	(131,574)	(60,846)	42,247	11,575,046	1,435	7
General Support Expenses	995,995	968,463	956,869	1,026,929	1,549,636	8
Central Office Switching	1,172,775	1,499,237	1,701,704	2,012,143	1,786,925	9
Operator Systems Expense						10
Central Office Transmission	914,428	987,283	1,187,163	1,585,113	1,392,894	11
Info. Origination/Termination	366	(310)	2,455	8,917	2,792	12
Cable & Wire Facilities	3,370,271	3,963,639	3,278,271	2,759,980	2,868,052	13
<b>Total Plant Specific Operations</b>	<b>6,322,261</b>	<b>7,357,465</b>	<b>7,168,709</b>	<b>18,968,128</b>	<b>7,601,734</b>	<b>14</b>
Other Plant, Property & Equipment	17,115	24,491	42,910	22,580	58,004	15
Network Operations	2,276,054	1,670,319	1,746,989	4,969,760	2,765,330	16
Access Expense	650,886	657,729	920,539	1,084,639	935,437	17
Depreciation and Amortization	10,316,981	9,223,788	8,806,911	8,403,704	8,767,317	18
<b>Total Plant Non-Specific Operations</b>	<b>13,261,036</b>	<b>11,576,327</b>	<b>11,517,349</b>	<b>14,480,683</b>	<b>12,526,088</b>	<b>19</b>
Marketing Expense	1,295,352	1,259,194	1,653,964	3,084,629	2,472,060	20
Services Expense	750,553	564,986	1,040,996	1,864,219	1,557,923	21
<b>Total Customer Operations</b>	<b>2,045,905</b>	<b>1,824,180</b>	<b>2,694,960</b>	<b>4,948,848</b>	<b>4,029,983</b>	<b>22</b>
Executive & Planning	255,782	260,975	368,087	364,945	422,852	23
General & Administrative	3,770,487	719,199	2,739,229	(8,421,774)	2,702,381	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>4,026,269</b>	<b>980,174</b>	<b>3,107,316</b>	<b>(8,056,829)</b>	<b>3,125,233</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>25,655,471</b>	<b>21,738,146</b>	<b>24,488,334</b>	<b>30,340,830</b>	<b>27,283,038</b>	<b>28</b>
Other Operating Income & Expenses	(4,695)	(5,748)	(3,595)			29
State & Local Income Taxes						30
Other Taxes	3,709,424	3,320,322	3,632,662	3,553,122	3,568,859	31
<b>Net Operating Income Before FIT</b>	<b>2,961,025</b>	<b>10,283,019</b>	<b>9,071,271</b>	<b>4,261,927</b>	<b>8,717,344</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	1,678,753	2,940,652	3,520,533	1,279,744	3,753,385	34
Provision - Def. Operating Income Taxes - Net	(1,216,812)	(238,032)	(1,195,192)	(690,345)	(1,460,022)	35
<b>Net Operating Income</b>	<b>\$2,499,084</b>	<b>\$7,580,399</b>	<b>\$6,745,930</b>	<b>\$3,672,528</b>	<b>\$6,423,981</b>	<b>36</b>

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

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
37 <b>Net Operating Income</b>	\$2,499,084	\$7,580,399	\$6,745,930	\$3,672,528	\$6,423,981
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	240,616	226,426	256,140	263,510	244,188
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	34,548	85,594	73,774	39,004	13,332
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(2,113,752)	(2,272,938)	(2,476,549)	(2,735,662)	(2,436,786)
45 Special Charges			(880)	776	
46 Total Non-Operating Income & Expenses	(1,838,588)	(1,960,918)	(2,145,755)	(2,433,924)	(2,179,266)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	660,496	5,619,481	4,600,175	1,238,604	4,244,715
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	9	3	14	14	67
53 Total Interest Charges	9	3	14	14	67
54 Income Before Extraordinary & Nonreg Items	660,487	5,619,478	4,600,161	1,238,590	4,244,648
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$660,487	\$5,619,478	\$4,600,161	\$1,238,590	\$4,244,648

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$54,948,619	\$53,048,867	\$52,588,706	\$52,464,116	\$52,019,468
60 Transferred from Income	660,487	5,619,478	4,600,161	1,238,590	4,244,648
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	594,439	3,719,729	4,140,000	1,114,000	3,800,000
64 Adjustments					
65 Ending Year Balance	55,014,667	54,948,616	53,048,867	52,588,706	52,464,116
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$55,014,667	\$54,948,616	\$53,048,867	\$52,588,706	\$52,464,116

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$247,022	\$151,933	\$2,141,665	\$1,489,922	\$1,182,733
2 Accounts Receivable (Net)	453,203	491,584	522,365	562,482	549,569
3 Current Deferred Income Taxes	23,809	23,360	22,854	22,295	21,720
4 Other Current Assets	196,890	134,554	154,025	152,131	143,925
5 Total Current Assets	920,924	801,432	2,840,909	2,226,830	1,897,947
<b>NON-CURRENT ASSETS</b>					
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
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	11,740,797	11,392,772	11,463,560	13,274,702	14,047,791
14 Less: Accumulated Depreciation and Amort.	9,359,026	8,898,260	8,558,334	9,721,513	9,858,109
15 Net Regulated Plant	2,381,770	2,494,511	2,905,225	3,553,188	4,189,682
16 <b>Total Assets &amp; Other Debits</b>	<b>\$3,309,819</b>	<b>\$3,303,067</b>	<b>\$5,753,258</b>	<b>\$5,787,142</b>	<b>\$6,094,752.2</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$303,088	\$193,849	\$362,550	\$153,998	\$192,455
18 Notes Payable					
19 Advanced Billings	126,215	121,674	118,751	129,387	98,165
20 Customer Deposits	1,700	1,700	1,700		
21 Current Maturities - Long-Term Debt	1,050,000	600,000	2,597,312	2,725,733	2,860,965
22 Current Deferred Income Taxes					
23 Other Current Liabilities	187,172	141,294	154,498	165,455	186,460
24 Total Current Liabilities	1,668,174	1,058,517	3,234,811	3,174,575	3,338,045
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					24,550
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	432,596	160,614	263,396	403,562	504,534
28 Other Deferred Credits	67,658	66,369	64,929	63,334	61,690
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	500,254	226,982	328,325	466,895	566,225
<b>STOCKHOLDER'S EQUITY</b>					
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	877,391	1,753,568	1,926,122	1,881,668	1,901,933
36 Total Stockholder's Equity	1,141,391	2,017,568	2,190,122	2,145,668	2,165,933
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$3,309,819</b>	<b>\$3,303,067</b>	<b>\$5,753,258</b>	<b>\$5,787,138</b>	<b>\$6,094,752.9</b>

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$746,513	\$718,715	\$664,849	\$643,768	\$608,287	1
Network Access Services	2,588,549	2,893,626	3,096,327	3,084,430	3,553,063	2
Long Distance Network Services	2,383	2,383	2,383	2,383	3,277	3
Miscellaneous Revenues	573,374	597,857	822,654	804,972	449,743	4
Less: Uncollectible Revenues	18,773	16,439	7,580	36,887	8,570	5
<b>Total Operating Revenues</b>	<b>3,892,045</b>	<b>4,196,141</b>	<b>4,578,633</b>	<b>4,498,666</b>	<b>4,605,800</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	3,287		2,137			7
General Support Expenses	77,694	69,323	66,047	65,142	75,940	8
Central Office Switching	132,836	101,555	121,931	125,962	171,184	9
Operator Systems Expense						10
Central Office Transmission	630,685	582,174	526,000	476,850	443,813	11
Info. Origination/Termination	542,855	456,422	330,281	308,576	370,149	12
Cable & Wire Facilities	364,154	331,890	339,290	341,152	292,130	13
<b>Total Plant Specific Operations</b>	<b>1,751,511</b>	<b>1,541,365</b>	<b>1,385,686</b>	<b>1,317,682</b>	<b>1,353,215</b>	<b>14</b>
Other Plant, Property & Equipment	757	517	973			15
Network Operations	406,090	419,298	396,103	397,269	377,298	16
Access Expense	105,769	78,608	87,178	38,626	25,516	17
Depreciation and Amortization	497,732	486,016	696,371	787,618	757,128	18
<b>Total Plant Non-Specific Operations</b>	<b>1,010,348</b>	<b>984,438</b>	<b>1,180,625</b>	<b>1,223,513</b>	<b>1,159,942</b>	<b>19</b>
Marketing Expense	40,233	41,644	43,939	49,588	15,901	20
Services Expense	374,111	387,987	389,783	422,758	437,099	21
<b>Total Customer Operations</b>	<b>414,344</b>	<b>429,631</b>	<b>433,722</b>	<b>472,346</b>	<b>453,000</b>	<b>22</b>
Executive & Planning	591,682	483,012	483,031	487,759	486,146	23
General & Administrative	661,073	658,749	615,559	665,967	799,898	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>1,252,755</b>	<b>1,141,761</b>	<b>1,098,590</b>	<b>1,153,726</b>	<b>1,286,045</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,428,959</b>	<b>4,097,194</b>	<b>4,098,623</b>	<b>4,167,267</b>	<b>4,252,203</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	245,567	265,351	308,103	265,753	262,254	31
<b>Net Operating Income Before FIT</b>	<b>(782,481)</b>	<b>(166,404)</b>	<b>171,907</b>	<b>65,646</b>	<b>91,344</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(286,159)	(41,473)	(7,594)	(53,045)	17,345	34
Provision - Def. Operating Income Taxes - Net						35
<b>Net Operating Income</b>	<b>(\$496,322)</b>	<b>(\$124,931)</b>	<b>\$179,501</b>	<b>\$118,691</b>	<b>\$73,999</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$496,322)	(\$124,931)	\$179,501	\$118,691	\$73,999
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income		(1,650)	(2,883)	1,779	1,750
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	1,300	82	4,851	5,296	3,019
45 Special Charges	372	665	570	560	685
46 Total Non-Operating Income & Expenses	928	(2,233)	1,398	6,515	4,084
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes			3,026	5,322	7,457
48 Other					
49 Total Non-Operating Taxes			3,026	5,322	7,457
50 Income Available Before Interest Charges	(495,394)	(127,164)	177,873	119,884	70,626
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt		38,392	133,423	140,147	148,400
52 Other Interest Expense	1,623				
53 Total Interest Charges	1,623	38,392	133,423	140,147	148,400
54 Income Before Extraordinary & Nonreg Items	(497,017)	(165,556)	44,450	(20,263)	(77,775)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$497,017)	(\$165,556)	\$44,450	(\$20,263)	(\$77,775)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,753,568	\$1,926,122	\$1,881,668	\$1,901,932	\$1,979,709
60 Transferred from Income	(497,017)	(165,556)	44,450	(20,264)	(77,775)
61 Appropriations		7,000			
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	(379,161)	3	4		
65 Ending Year Balance	877,391	1,753,568	1,926,122	1,881,668	1,901,934
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$877,391	\$1,753,568	\$1,926,122	\$1,881,668	\$1,901,934

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$10,770	\$18,323	\$16,304	\$13,991	\$9,862
2 Accounts Receivable (Net)	400,391	98,922	219,072	51,388	357,716
3 Current Deferred Income Taxes	8,362	13,194	8,252	12,051	11,370
4 Other Current Assets	85,000	99,999	81,900	66,622	74,636
5 Total Current Assets	504,524	230,437	325,528	144,053	453,585
<b>NON-CURRENT ASSETS</b>					
6 Investments	726,136	870,144	872,630	1,104,897	1,274,854
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	650,899	650,834	650,769	650,704	650,616
12 Total Non-Current Assets	1,377,035	1,520,978	1,523,399	1,755,601	1,925,470
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	15,750,452	15,913,976	17,426,653	17,391,060	17,265,764
14 Less: Accumulated Depr and Amort.	11,472,106	11,272,645	12,165,134	11,865,825	11,232,232
15 Net Regulated Plant	4,278,346	4,641,331	5,261,519	5,525,235	6,033,532
16 <b>Total Assets &amp; Other Debits</b>	<b>\$6,159,904</b>	<b>\$6,392,746</b>	<b>\$7,110,445</b>	<b>\$7,424,889</b>	<b>\$8,412,585</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	(\$2,408,630)	(\$2,140,189)	(\$1,472,336)	(\$1,727,221)	(1,237,179)
18 Notes Payable					
19 Advanced Billings	13,523	13,719	14,719	49,474	34,397
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	110,821	47,656	31,384	17,790	56,764
24 Total Current Liabilities	(2,284,286)	(2,078,814)	(1,426,233)	(1,659,958)	(1,146,018)
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	864,848	918,729	993,875	1,050,104	1,111,299
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities		22,049	22,049	22,049	103,173
31 Total Other Liab. and Def. Credits	864,848	940,778	1,015,924	1,072,153	1,214,472
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	81,160	81,160	81,160	81,160	81,160
33 Preferred Stock					
34 Other Paid in Capital	(1,209,000)	(1,158,000)	(1,346,000)	(1,130,000)	(984,000)
35 Retained Earnings	8,707,182	8,607,621	8,785,595	9,061,533	9,246,971
36 Total Stockholder's Equity	7,579,342	7,530,781	7,520,755	8,012,693	8,344,131
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$6,159,904</b>	<b>\$6,392,746</b>	<b>\$7,110,446</b>	<b>\$7,424,889</b>	<b>\$8,412,585</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$766,106	\$769,230	\$781,401	\$888,690	\$941,131	1
Network Access Services	1,686,374	1,639,787	1,449,451	1,423,465	1,852,527	2
Long Distance Network Services	2,576	1,541	2,402	1,449	4,434	3
Miscellaneous Revenues	245,527	234,030	255,925	340,979	307,061	4
Less: Uncollectible Revenues	8,684	46,830	28,322	35,899	50,475	5
<b>Total Operating Revenues</b>	<b>2,691,900</b>	<b>2,597,759</b>	<b>2,460,857</b>	<b>2,618,684</b>	<b>3,054,678</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	190			188	35	7
General Support Expenses	444,691	519,187	459,613	482,383	766,161	8
Central Office Switching	199,490	196,317	164,044	194,099	238,567	9
Operator Systems Expense						10
Central Office Transmission	895	1,291	834	493	6,817	11
Info. Origination/Termination						12
Cable & Wire Facilities	233,342	239,110	323,691	374,045	293,203	13
<b>Total Plant Specific Operations</b>	<b>878,608</b>	<b>955,905</b>	<b>948,182</b>	<b>1,051,208</b>	<b>1,304,783</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	149,625	131,625	127,747	119,398	197,173	16
Access Expense	57,493	58,252	39,768	97,115	96,680	17
Depreciation and Amortization	466,193	554,076	578,298	641,793	751,497	18
<b>Total Plant Non-Specific Operations</b>	<b>673,311</b>	<b>743,953</b>	<b>745,813</b>	<b>858,306</b>	<b>1,045,350</b>	<b>19</b>
Marketing Expense	51,999	62,885	80,971	82,426	80,936	20
Services Expense	233,287	259,470	270,629	299,193	327,171	21
<b>Total Customer Operations</b>	<b>285,287</b>	<b>322,354</b>	<b>351,600</b>	<b>381,619</b>	<b>408,107</b>	<b>22</b>
Executive & Planning	105,848	100,622	125,115	49,220	142,979	23
General & Administrative	360,437	354,092	413,498	415,702	380,627	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>466,284</b>	<b>454,714</b>	<b>538,613</b>	<b>464,922</b>	<b>523,606</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,303,490</b>	<b>2,476,926</b>	<b>2,584,208</b>	<b>2,756,055</b>	<b>3,281,846</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	176,659	187,082	181,869	80,464	196,345	31
<b>Net Operating Income Before FIT</b>	<b>211,751</b>	<b>(66,249)</b>	<b>(305,220)</b>	<b>(217,835)</b>	<b>(423,512)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	114,288	75,830	(68,322)	(52,800)	(102,247)	34
Provision - Def. Operating Income Taxes - Net	(49,312)	(80,209)	(52,167)	(61,876)	(86,184)	35
<b>Net Operating Income</b>	<b>\$146,775</b>	<b>(\$61,870)</b>	<b>(\$184,731)</b>	<b>(\$103,159)</b>	<b>(\$235,081)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$146,775	(\$61,870)	(\$184,731)	(\$103,159)	(\$235,081)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
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	(31,008)	(190,486)	(68,268)	(50,956)	(27,184)
44 Other Non-Operating Income					
45 Special Charges					
46 Total Non-Operating Income & Expenses	(31,008)	(190,486)	(68,268)	(50,956)	(27,184)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	15,817	17,769	20,704	25,144	205,948
48 Other		(93,599)			
49 Total Non-Operating Taxes	15,817	(75,830)	20,704	25,144	205,948
50 Income Available Before Interest Charges	99,950	(176,526)	(273,703)	(179,259)	(468,213)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	263	121	(263)	87,868	
53 Total Interest Charges	263	121	(263)	87,868	
54 Income Before Extraordinary & Nonreg Items	99,687	(176,647)	(273,440)	(267,127)	(468,213)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	(127)	(1,326)	(2,500)	81,690	462,736
57 Total Extraordinary & Nonregulated Items	(127)	(1,326)	(2,500)	81,690	462,736
58 <b>Net Income</b>	\$99,560	(\$177,973)	(\$275,940)	(\$185,437)	(\$5,477)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$8,607,621	\$8,785,593	\$9,061,533	\$9,246,972	\$9,225,265
60 Transferred from Income	99,560	(177,972)	(275,940)	(134,481)	21,707
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments				(50,958)	
65 Ending Year Balance	8,707,182	8,607,621	8,785,593	9,061,533	9,246,972
66 Appropriated/Undistributed Affiliated Retained Earnings					
67 <b>Total Retained Earnings</b>	\$8,707,182	\$8,607,621	\$8,785,593	\$9,061,533	\$9,246,972

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$769	\$12,422	\$1,179	\$265	\$1,114
2 Accounts Receivable (Net)	23,758	49,806	43,591	60,452	57,093
3 Current Deferred Income Taxes		6,433	6,030	5,472	4,833
4 Other Current Assets	1,491,078	1,314,059	1,214,429	934,617	724,184
5 Total Current Assets	1,515,605	1,382,720	1,265,229	1,000,806	787,224
<b>NON-CURRENT ASSETS</b>					
6 Investments	(115,708)	(81,618)	(51,857)	3,055	24,454
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		73,883	73,581	73,581	73,581
11 Other Non-Current Assets					
12 Total Non-Current Assets	(115,708)	(7,735)	21,724	76,636	98,035
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	3,242,351	3,151,184	3,090,330	3,077,113	3,040,109
14 Less: Accumulated Depr and Amort.	2,443,006	2,287,500	2,146,525	1,997,282	1,879,152
15 Net Regulated Plant	799,345	863,684	943,805	1,079,831	1,160,957
16 Total Assets & Other Debits	\$2,199,242	\$2,238,669	\$2,230,758	\$2,157,273	\$2,046,216
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$27,218	\$1,923		\$4,321	\$15,274
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits		150	260	760	760
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	28,507	46,194	54,675	15,961	29,297
24 Total Current Liabilities	55,725	48,267	54,935	21,042	45,331
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	159,584	255,357	282,074	314,267	311,318
28 Other Deferred Credits	19,828	25,703	24,517	22,877	20,998
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	179,412	281,060	306,591	337,144	332,316
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	27,800	27,800	27,800	27,800	27,800
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,936,305	1,881,542	1,841,432	1,771,287	1,640,769
36 Total Stockholder's Equity	1,964,105	1,909,342	1,869,232	1,799,087	1,668,569
37 Total Liab. and Stockholder's Equity	\$2,199,242	\$2,238,669	\$2,230,758	\$2,157,273	\$2,046,216

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$220,274	\$230,955	\$245,213	\$259,021	\$240,503	1
Network Access Services	501,350	519,027	529,587	544,891	570,446	2
Long Distance Network Services	154	237	242	291	416	3
Miscellaneous Revenues	15,649	30,432	48,901	59,556	63,512	4
Less: Uncollectible Revenues	979	(2,075)	8,199	(532)	2,208	5
<b>Total Operating Revenues</b>	<b>736,448</b>	<b>782,726</b>	<b>815,744</b>	<b>864,291</b>	<b>872,669</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses					30	7
General Support Expenses	58,717	53,628	49,219	46,467	58,081	8
Central Office Switching	13,220	42,756	36,693	31,137	30,115	9
Operator Systems Expense						10
Central Office Transmission	95,551	96,606	83,926	61,331	62,442	11
Info. Origination/Termination						12
Cable & Wire Facilities	33,128	27,380	20,562	28,591	40,440	13
<b>Total Plant Specific Operations</b>	<b>200,616</b>	<b>220,370</b>	<b>190,400</b>	<b>167,526</b>	<b>191,108</b>	<b>14</b>
Other Plant, Property & Equipment	4,835	5,161	5,330	4,688	5,369	15
Network Operations	39,409	22,027	24,340	37,269	64,039	16
Access Expense	29,295	25,783	28,840	21,538	20,407	17
Depreciation and Amortization	154,819	151,800	151,185	149,054	145,691	18
<b>Total Plant Non-Specific Operations</b>	<b>228,358</b>	<b>204,771</b>	<b>209,695</b>	<b>212,549</b>	<b>235,506</b>	<b>19</b>
Marketing Expense	44,313	31,171	28,425	32,539	36,228	20
Services Expense	59,493	93,798	107,948	98,488	72,721	21
<b>Total Customer Operations</b>	<b>103,806</b>	<b>124,969</b>	<b>136,373</b>	<b>131,027</b>	<b>108,949</b>	<b>22</b>
Executive & Planning	35,399	82,656	48,364	67,228	83,695	23
General & Administrative	59,908	52,280	48,624	59,678	59,890	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>95,307</b>	<b>134,936</b>	<b>96,988</b>	<b>126,906</b>	<b>143,585</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>628,087</b>	<b>685,046</b>	<b>633,456</b>	<b>638,008</b>	<b>679,148</b>	<b>28</b>
Other Operating Income & Expenses					(5,435)	29
State & Local Income Taxes						30
Other Taxes	31,083	30,034	30,837	30,471	31,073	31
<b>Net Operating Income Before FIT</b>	<b>77,278</b>	<b>67,646</b>	<b>151,451</b>	<b>195,812</b>	<b>157,013</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	51,718	63,423	99,298	72,858	71,067	34
Provision - Def. Operating Income Taxes - Net	(22,315)	(27,422)	(32,750)	2,310	(5,679)	35
<b>Net Operating Income</b>	<b>\$47,875</b>	<b>\$31,645</b>	<b>\$84,903</b>	<b>\$120,644</b>	<b>\$91,625</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$47,875	\$31,645	\$84,903	\$120,644	\$91,625
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income				20	
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	(34,090)	(29,761)	(54,912)	(21,399)	26,826
44 Other Non-Operating Income					
45 Special Charges					
46 Total Non-Operating Income & Expenses	(34,090)	(29,761)	(54,912)	(21,379)	26,826
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	13,785	1,884	29,991	99,265	118,451
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	(40,978)	(38,226)	(40,154)	(31,253)	(36,286)
53 Total Interest Charges	(40,978)	(38,226)	(40,154)	(31,253)	(36,286)
54 Income Before Extraordinary & Nonreg Items	54,763	40,110	70,145	130,518	154,737
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$54,763	\$40,110	\$70,145	\$130,518	\$154,737
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,743,160	\$1,673,289	\$1,548,232	\$1,396,315	\$1,268,404
60 Transferred from Income	88,853	69,871	125,057	151,917	127,911
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,832,013	1,743,160	1,673,289	1,548,232	1,396,315
66 Appropriated/Undistr Affiliate Retained Earnings	104,292	138,382	168,143	223,055	244,454
67 <b>Total Retained Earnings</b>	\$1,936,305	\$1,881,542	\$1,841,432	\$1,771,287	\$1,640,769

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$15,522	\$11,669	\$11,303	\$773	\$145,988
2 Accounts Receivable (Net)	1,763,178	2,896,982	2,836,538	2,459,153	2,335,548
3 Current Deferred Income Taxes				28,283	26,188
4 Other Current Assets	206,678	271,491	206,510	271,720	272,604
5 Total Current Assets	1,985,378	3,180,142	3,054,351	2,759,929	2,780,328
<b>NON-CURRENT ASSETS</b>					
6 Investments	744,743		34,947	64,535	147,767
7 Unamortized Debt Issuance Costs	1,085	2,533	3,983	5,431	6,881
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,342,745	1,637,109	1,451,818	1,380,174	1,250,905
11 Other Non-Current Assets					
12 Total Non-Current Assets	2,088,573	1,639,642	1,490,748	1,450,140	1,405,553
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	12,905,034	12,922,894	12,920,635	12,970,304	13,030,151
14 Less: Accumulated Depr and Amort.	9,856,509	9,460,929	9,058,248	8,693,199	8,297,599
15 Net Regulated Plant	3,048,525	3,461,965	3,862,387	4,277,105	4,732,552
16 Total Assets & Other Debits	\$7,122,476	\$8,281,749	\$8,407,486	\$8,487,174	\$8,918,433
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$682,091	\$1,110,531	\$844,154	\$956,095	\$779,815
18 Notes Payable		222,500	446,500		
19 Advanced Billings	2,420	16,940	15,280		20,625
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	166,953	162,081	162,081	162,081	162,081
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,432,769	1,730,200	1,606,295	1,170,837	920,574
24 Total Current Liabilities	2,284,233	3,242,252	3,074,310	2,289,013	1,883,095
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt		202,598	390,647	569,571	739,918
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	616,256	679,464	737,921	794,595	808,105
28 Other Deferred Credits	1,901,774	2,155,323	2,325,774	2,436,663	2,434,271
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	565,000	764,831			
31 Total Other Liab. and Def. Credits	3,083,030	3,599,618	3,063,695	3,231,258	3,242,376
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	210,000	210,000	210,000	210,000	210,000
33 Preferred Stock	137,350	137,350	137,350	137,350	137,350
34 Other Paid in Capital	21,432	(33,563)	(29,348)	(61,342)	77,519
35 Retained Earnings	1,386,431	923,494	1,560,832	2,111,324	2,628,175
36 Total Stockholder's Equity	1,755,213	1,237,281	1,878,834	2,397,332	3,053,044
37 Total Liab. and Stockholder's Equity	\$7,122,476	\$8,281,749	\$8,407,486	\$8,487,174	\$8,918,433

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,331,603	\$1,258,989	\$1,187,952	\$1,146,408	\$1,108,748	1
Network Access Services	2,806,677	2,765,385	3,119,000	3,364,867	3,564,053	2
Long Distance Network Services						3
Miscellaneous Revenues	49,390	53,673	46,072	58,682	80,429	4
Less: Uncollectible Revenues	4,800	4,800	4,800	1,300	3,000	5
Total Operating Revenues	4,182,870	4,073,247	4,348,224	4,568,657	4,750,230	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	30,070	33,866	38,534	31,176	32,733	7
General Support Expenses	533,811	456,437	476,803	460,380	450,234	8
Central Office Switching	169,934	225,965	293,735	315,415	314,484	9
Operator Systems Expense						10
Central Office Transmission	519,350	452,362	403,514	393,537	413,642	11
Info. Origination/Termination						12
Cable & Wire Facilities	240,449	248,701	251,888	311,285	326,912	13
Total Plant Specific Operations	1,493,614	1,417,331	1,464,474	1,511,793	1,538,005	14
Other Plant, Property & Equipment						15
Network Operations	347,452	378,472	292,229	238,728	305,945	16
Access Expense	96,674	92,339	89,805	78,591	74,451	17
Depreciation and Amortization	423,589	437,441	478,609	529,340	516,505	18
Total Plant Non-Specific Operations	867,715	908,252	860,643	846,659	896,901	19
Marketing Expense	22,952	26,275	29,317	25,812	29,460	20
Services Expense	185,568	155,242	162,209	181,814	165,373	21
Total Customer Operations	208,520	181,517	191,526	207,626	194,833	22
Executive & Planning	543,604	233,773	839,451	837,070	801,741	23
General & Administrative	1,224,805	1,196,318	1,418,586	1,459,998	1,416,647	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	1,768,409	1,430,091	2,258,037	2,297,068	2,218,388	27
Total Operations Expense	4,338,258	3,937,191	4,774,680	4,863,146	4,848,127	28
Other Operating Income & Expenses		(2)				7 29
State & Local Income Taxes						30
Other Taxes	147,120	144,064	199,226	208,801	225,068	31
<b>Net Operating Income Before FIT</b>	(302,508)	(8,010)	(625,682)	(503,290)	(322,958)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(309,965)	(24,641)	(111,876)	(115,588)	(38,292)	34
Provision - Def. Operating Income Taxes - Net	202,790	21,462	(116,797)	(72,473)	(76,002)	35
<b>Net Operating Income</b>	(\$195,333)	(\$4,831)	(\$397,009)	(\$315,229)	(\$208,664)	36

1 Restated in 2001

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$195,333)	(\$4,831)	(\$397,009)	(\$315,229)	(\$208,664)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	7	52	75	73	763
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	744,743	(34,947)	(29,588)	(83,232)	122,253
44 Other Non-Operating Income	25,840	25,840	25,840	27,640	22,600
45 Special Charges	48,643	36,119	40,676	38,714	29,497
46 Total Non-Operating Income & Expenses	721,947	(45,174)	(44,349)	(94,233)	116,119
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(7,751)	(3,477)	(5,018)	(3,906)	(2,086)
48 Other					
49 Total Non-Operating Taxes	(7,751)	(3,477)	(5,018)	(3,906)	(2,086)
50 Income Available Before Interest Charges	534,365	(46,528)	(436,340)	(405,556)	(90,459)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	12,078	22,467	31,352	39,825	48,019
52 Other Interest Expense	5,507	24,686	13,985	2,655	2,547
53 Total Interest Charges	17,585	47,153	45,337	42,480	50,566
54 Income Before Extraordinary & Nonreg Items	516,780	(93,681)	(481,677)	(448,036)	(141,025)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$516,780	(\$93,681)	(\$481,677)	(\$448,036)	(\$141,025)

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,011,092	\$1,613,483	\$2,134,387	\$2,568,006	\$2,900,099
60 Transferred from Income	(227,963)	(58,734)	(452,089)	(364,804)	(263,278)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	8,927	8,927	8,927	8,927	8,927
63 Common Stock	44,916	29,944	59,888	59,888	59,888
64 Adjustments		(504,786)			
65 Ending Year Balance	729,286	1,011,092	1,613,483	2,134,387	2,568,006
66 Appropriated/Undistr Affiliate Retained Earnings	657,145	(87,598)	(52,651)	(23,063)	60,169
67 <b>Total Retained Earnings</b>	\$1,386,431	\$923,494	\$1,560,832	\$2,111,324	\$2,628,175

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$600	\$600	\$600	\$600	\$4,447
2 Accounts Receivable (Net)	732,901	920,836	924,927	753,558	1,518,873
3 Current Deferred Income Taxes	13,084	15,148	18,048	12,392	21,551
4 Other Current Assets	574,137	540,360	480,005	458,554	398,013
5 Total Current Assets	1,320,722	1,476,944	1,423,580	1,225,105	1,942,884
<b>NON-CURRENT ASSETS</b>					
6 Investments	320,478	169,119	319,002	373,722	594,017
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		1	233	775	3,678
11 Other Non-Current Assets					
12 Total Non-Current Assets	320,478	169,120	319,235	374,497	597,695
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	31,261,823	31,192,041	31,230,690	30,155,794	30,068,775
14 Less: Accumulated Depr and Amort.	22,883,308	22,259,646	22,073,901	21,550,071	21,065,138
15 Net Regulated Plant	8,378,515	8,932,394	9,156,788	8,605,722	9,003,637
16 Total Assets & Other Debits	\$10,019,715	\$10,578,458	\$10,899,604	\$10,205,324	\$11,544,216
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$1,142,295	\$1,394,913	\$1,397,119	\$1,207,410	\$1,985,618
18 Notes Payable					
19 Advanced Billings	19,152	20,211	19,831	55,017	38,064
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	107,935	277,973	62,897	31,947	107,861
24 Total Current Liabilities	1,269,382	1,693,098	1,479,847	1,294,374	2,131,543
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,739,393	1,785,768	1,865,491	1,884,742	1,993,234
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					112,263
31 Total Other Liab. and Def. Credits	1,739,393	1,785,768	1,865,491	1,884,742	2,105,497
<b>STOCKHOLDER'S EQUITY</b>					
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	2,313,120	2,401,773	2,856,446	2,328,387	2,609,356
36 Total Stockholder's Equity	7,010,940	7,099,593	7,554,266	7,026,207	7,307,176
37 Total Liab. and Stockholder's Equity	\$10,019,715	\$10,578,459	\$10,899,604	\$10,205,324	\$11,544,216

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,278,870	\$1,323,323	\$1,426,714	\$1,538,194	\$1,579,064	1
Network Access Services	3,122,998	3,349,330	3,224,354	3,501,385	4,406,378	2
Long Distance Network Services	30,901	30,936	31,146	29,394	27,548	3
Miscellaneous Revenues	153,261	324,275	345,484	384,591	402,446	4
Less: Uncollectible Revenues	23,123	8,788	84,744	20,430	28,114	5
<b>Total Operating Revenues</b>	<b>4,562,907</b>	<b>5,019,076</b>	<b>4,942,954</b>	<b>5,433,134</b>	<b>6,387,322</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses						7
General Support Expenses	522,017	758,739	819,297	886,168	1,284,237	8
Central Office Switching	312,753	348,662	361,627	389,729	360,405	9
Operator Systems Expense						10
Central Office Transmission	718	832	596	1,490	441	11
Info. Origination/Termination						12
Cable & Wire Facilities	345,607	459,024	505,897	490,508	556,364	13
<b>Total Plant Specific Operations</b>	<b>1,181,096</b>	<b>1,567,256</b>	<b>1,687,417</b>	<b>1,767,895</b>	<b>2,201,447</b>	<b>14</b>
Other Plant, Property & Equipment				(7,464)		15
Network Operations	392,946	416,757	387,002	409,744	360,965	16
Access Expense	127,763	140,221	123,495	181,108	130,210	17
Depreciation and Amortization	833,808	750,394	632,258	970,765	1,434,453	18
<b>Total Plant Non-Specific Operations</b>	<b>1,354,517</b>	<b>1,307,372</b>	<b>1,142,755</b>	<b>1,554,153</b>	<b>1,925,628</b>	<b>19</b>
Marketing Expense	238,050	221,698	235,282	249,461	210,933	20
Services Expense	268,483	304,098	340,220	384,763	423,575	21
<b>Total Customer Operations</b>	<b>506,533</b>	<b>525,796</b>	<b>575,502</b>	<b>634,224</b>	<b>634,508</b>	<b>22</b>
Executive & Planning	173,213	156,067	205,685	115,585	92,519	23
General & Administrative	736,109	816,135	987,242	1,046,281	1,033,566	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>909,322</b>	<b>972,202</b>	<b>1,192,927</b>	<b>1,161,866</b>	<b>1,126,085</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>3,951,468</b>	<b>4,372,626</b>	<b>4,598,601</b>	<b>5,118,138</b>	<b>5,887,668</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	403,546	442,693	448,959	418,613	463,633	31
<b>Net Operating Income Before FIT</b>	<b>207,893</b>	<b>203,757</b>	<b>(104,606)</b>	<b>(103,617)</b>	<b>36,021</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	105,756	130,271	(54,958)	11,047	182,759	34
Provision - Def. Operating Income Taxes - Net	(44,311)	(76,823)	(24,907)	(99,333)	(211,802)	35
<b>Net Operating Income</b>	<b>\$146,448</b>	<b>\$150,309</b>	<b>(\$24,741)</b>	<b>(\$15,331)</b>	<b>\$65,064</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$146,448	\$150,309	(\$24,741)	(\$15,331)	\$65,064
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
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	341,788	362,117	336,280	489,705	419,603
44 Other Non-Operating Income					
45 Special Charges	(110)			200	220
46 Total Non-Operating Income & Expenses	341,898	362,117	336,280	489,505	419,383
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	22,287	27,085	34,378	40,222	415,041
48 Other					
49 Total Non-Operating Taxes	22,287	27,085	34,378	40,222	415,041
50 Income Available Before Interest Charges	466,059	485,341	277,161	433,952	69,406
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense					(327)
53 Total Interest Charges					(327)
54 Income Before Extraordinary & Nonreg Items	466,059	485,341	277,161	433,952	69,733
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	(3,712)	(1,014)	(1,103)	(4,921)	1,064,917
57 Total Extraordinary & Nonregulated Items	(3,712)	(1,014)	(1,103)	(4,921)	1,064,917
58 <b>Net Income</b>	<b>\$462,347</b>	<b>\$484,327</b>	<b>\$276,058</b>	<b>\$429,031</b>	<b>\$1,134,650</b>
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,822,169	\$9,337,842	\$9,061,784	\$8,632,753	\$7,917,706
60 Transferred from Income	462,347	484,327	276,058	429,031	715,047
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	10,284,516	9,822,169	9,337,842	9,061,784	8,632,753
66 Appropriated/Undistr Affiliate Retained Earnings	(7,971,396)	(7,420,396)	(6,481,396)	(6,733,397)	(6,023,397)
67 <b>Total Retained Earnings</b>	<b>\$2,313,120</b>	<b>\$2,401,773</b>	<b>\$2,856,446</b>	<b>\$2,328,387</b>	<b>\$2,609,356</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$107,792	\$80,581	\$514,299	\$61,129	\$78,789
2 Accounts Receivable (Net)	3,701,986	3,758,188	3,212,668	3,753,625	4,189,509
3 Current Deferred Income Taxes					
4 Other Current Assets	403,052	409,751	357,545	362,195	326,075
5 Total Current Assets	4,212,830	4,248,520	4,084,512	4,176,949	4,594,373
<b>NON-CURRENT ASSETS</b>					
6 Investments	(1,284,272)	(658,733)	(566,345)	(802,042)	(744,313)
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	196,049	185,510	197,647	190,577	283,170
11 Other Non-Current Assets	661,843	658,155	652,792	624,563	581,450
12 Total Non-Current Assets	(426,380)	184,932	284,094	13,098	120,307
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	15,184,956	15,010,554	14,804,391	14,922,737	14,816,718
14 Less: Accumulated Depr and Amort.	12,551,162	12,161,552	11,788,509	11,303,711	10,594,616
15 Net Regulated Plant	2,633,794	2,849,002	3,015,882	3,619,026	4,222,102
16 Total Assets & Other Debits	\$6,420,244	\$7,282,454	\$7,384,488	\$7,809,073	\$8,936,782
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$152,298	\$156,089	\$145,930	\$178,915	\$388,121
18 Notes Payable		19,804	96,259	168,740	287,769
19 Advanced Billings	86,462	88,700	73,335	33,176	17,431
20 Customer Deposits	490	552	552	959	680
21 Current Maturities - Long-Term Debt	41,643	31,835	30,291	86,176	140,268
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(84,702)	(52,373)	(158,251)	93,183	327,133
24 Total Current Liabilities	196,191	244,607	188,116	561,149	1,161,402
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	55,164	34,315	66,154	96,441	182,621
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	721,505	769,894	787,926	907,275	1,033,362
28 Other Deferred Credits	208,298	264,786	322,078	380,119	452,453
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	329,000	268,000	244,000	212,000	412,000
31 Total Other Liab. and Def. Credits	1,258,803	1,302,680	1,354,004	1,499,394	1,897,815
<b>STOCKHOLDER'S EQUITY</b>					
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
35 Retained Earnings	4,717,986	5,508,752	5,584,114	5,459,298	5,501,850
36 Total Stockholder's Equity	4,910,086	5,700,852	5,776,214	5,652,089	5,694,944
37 Total Liab. and Stockholder's Equity	\$6,420,244	\$7,282,454	\$7,384,488	\$7,809,073	\$8,936,782

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$833,466	\$847,605	\$833,594	\$834,269	\$908,165	1
Network Access Services	1,214,040	1,258,122	1,410,956	1,371,923	1,353,941	2
Long Distance Network Services	7,745	5,008	4,571	3,255	39,275	3
Miscellaneous Revenues	209,277	256,835	228,022	212,155	308,532	4
Less: Uncollectible Revenues	2,565	5,300	(668)	4,181	5,748	5
<b>Total Operating Revenues</b>	<b>2,261,963</b>	<b>2,362,270</b>	<b>2,477,811</b>	<b>2,417,421</b>	<b>2,604,165</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	13,061	12,071	13,313	9,578	7,827	7
General Support Expenses	91,053	86,653	82,496	98,689	96,213	8
Central Office Switching	145,046	160,332	153,870	168,581	203,822	9
Operator Systems Expense						10
Central Office Transmission	3,484	(1,263)	3,634	13,905	8,210	11
Info. Origination/Termination						12
Cable & Wire Facilities	252,178	230,404	228,144	191,071	254,760	13
<b>Total Plant Specific Operations</b>	<b>504,822</b>	<b>488,197</b>	<b>481,457</b>	<b>481,824</b>	<b>570,832</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	149,545	144,119	146,836	150,887	127,657	16
Access Expense	59,809	60,840	60,154	54,002	56,147	17
Depreciation and Amortization	451,712	361,140	744,483	724,483	664,108	18
<b>Total Plant Non-Specific Operations</b>	<b>661,066</b>	<b>566,099</b>	<b>951,473</b>	<b>929,372</b>	<b>847,912</b>	<b>19</b>
Marketing Expense	27,868	29,826	30,438	24,044	34,461	20
Services Expense	237,938	244,023	259,768	231,596	223,544	21
<b>Total Customer Operations</b>	<b>265,806</b>	<b>273,849</b>	<b>290,206</b>	<b>255,640</b>	<b>258,005</b>	<b>22</b>
Executive & Planning	339,845	357,889	358,746	311,752	299,446	23
General & Administrative	635,076	528,628	482,101	261,718	512,780	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>974,921</b>	<b>886,517</b>	<b>840,847</b>	<b>573,470</b>	<b>812,226</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,406,615</b>	<b>2,214,662</b>	<b>2,563,983</b>	<b>2,240,306</b>	<b>2,488,975</b>	<b>28</b>
Other Operating Income & Expenses		38		110	172	29
State & Local Income Taxes						30
Other Taxes	100,206	103,256	122,236	130,466	141,410	31
<b>Net Operating Income Before FIT</b>	<b>(244,858)</b>	<b>44,390</b>	<b>(208,408)</b>	<b>46,759</b>	<b>(26,048)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(20,350)	30,425	56,963	53,734	18,303	34
Provision - Def. Operating Income Taxes - Net	(58,928)	(5,895)	(126,063)	(33,312)	(23,411)	35
<b>Net Operating Income</b>	<b>(\$165,580)</b>	<b>\$19,860</b>	<b>(\$139,308)</b>	<b>\$26,337</b>	<b>(\$20,940)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$165,580)	\$19,860	(\$139,308)	\$26,337	(\$20,940)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					481
39 Interest Income	3,015	3,015	3,024	3,015	3,954
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	(625,539)	(92,388)	236,744	(57,193)	(410,448)
44 Other Non-Operating Income	2,850	(2,584)	4,417	4,628	17,032
45 Special Charges	4,508	3,345	(25,732)	3,613	3,261
46 Total Non-Operating Income & Expenses	(624,182)	(95,302)	269,917	(53,163)	(392,242)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(529)	(2,135)	891	669	5,270
48 Other					
49 Total Non-Operating Taxes	(529)	(2,135)	891	669	5,270
50 Income Available Before Interest Charges	(789,233)	(73,307)	129,718	(27,495)	(418,452)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	2,448	4,127	6,460	12,827	19,864
52 Other Interest Expense	(7,416)	(8,572)	(8,058)	(4,270)	8,457
53 Total Interest Charges	(4,968)	(4,445)	(1,598)	8,557	28,321
54 Income Before Extraordinary & Nonreg Items	(784,265)	(68,862)	131,316	(36,052)	(446,773)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$784,265)	(\$68,862)	\$131,316	(\$36,052)	(\$446,773)

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,626,484	\$6,609,458	\$6,721,386	\$6,706,745	\$6,749,570
60 Transferred from Income	(158,726)	23,526	(105,428)	21,141	(36,325)
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	6,461,258	6,626,484	6,609,458	6,721,386	6,706,745
66 Appropriated/Undistr Affiliate Retained Earnings	(1,743,272)	(1,117,732)	(1,025,344)	(1,262,088)	(1,204,895)
67 <b>Total Retained Earnings</b>	\$4,717,986	\$5,508,752	\$5,584,114	\$5,459,298	\$5,501,850

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$20,658	\$23,595	\$41,470	\$54,660	\$113,496
2 Accounts Receivable (Net)	575,386	1,389,583	1,398,398	1,242,785	1,122,839
3 Current Deferred Income Taxes					
4 Other Current Assets	208,214	205,452	211,962	159,036	180,376
5 Total Current Assets	804,259	1,618,631	1,651,830	1,456,481	1,416,711
<b>NON-CURRENT ASSETS</b>					
6 Investments	6,836,262	6,576,552	6,360,764	5,795,260	5,706,852
7 Unamortized Debt Issuance Costs	38,647	43,049	47,756	52,563	57,371
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,537,313	1,571,099	1,485,031	1,353,212	1,274,531
11 Other Non-Current Assets					
12 Total Non-Current Assets	8,412,222	8,190,700	7,893,551	7,201,035	7,038,754
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	9,477,062	9,449,151	9,364,978	9,425,992	9,306,939
14 Less: Accumulated Depr and Amort.	6,779,500	6,408,462	6,023,550	5,667,980	5,308,379
15 Net Regulated Plant	2,697,562	3,040,689	3,341,428	3,758,012	3,998,560
16 Total Assets & Other Debits	\$11,914,042	\$12,850,020	\$12,886,808	\$12,415,527	\$12,454,024
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$187,858	\$238,138	\$136,158	\$92,755	\$99,532
18 Notes Payable	236,752	709,436	486,544	222,038	18,213
19 Advanced Billings					678
20 Customer Deposits	2,257	2,474	2,659	2,917	3,435
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(733,482)	(581,093)	(337,318)	(296,537)	(175,947)
24 Total Current Liabilities	(306,614)	368,955	288,044	21,173	(54,089)
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	2,245,797	2,475,716	2,716,140	2,954,338	3,182,227
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	544,444	608,393	659,853	424,586	412,835
28 Other Deferred Credits	1,215,110	1,222,226	1,229,823	1,242,491	1,249,755
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,767,808	1,794,805	1,703,319	2,411,375	2,299,555
31 Total Other Liab. and Def. Credits	3,527,362	3,625,423	3,592,995	4,078,452	3,962,145
<b>STOCKHOLDER'S EQUITY</b>					
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	372,382	399,177	425,531	(195,227)	(213,662)
35 Retained Earnings	6,010,116	5,915,749	5,799,098	5,491,790	5,512,403
36 Total Stockholder's Equity	6,447,498	6,379,927	6,289,629	5,361,563	5,363,741
37 Total Liab. and Stockholder's Equity	\$11,914,042	\$12,850,020	\$12,886,808	\$12,415,527	\$12,454,024

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$194,934	\$212,577	\$211,633	\$205,476	\$228,957	1
Network Access Services	1,239,386	1,239,610	1,361,971	1,335,887	1,513,418	2
Long Distance Network Services						3
Miscellaneous Revenues	67,663	74,358	82,114	83,005	98,080	4
Less: Uncollectible Revenues	(2,193)	506	17,914			5
<b>Total Operating Revenues</b>	<b>1,504,176</b>	<b>1,526,039</b>	<b>1,637,803</b>	<b>1,624,368</b>	<b>1,840,455</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	3,048	2,908	2,000	1,054	581	7
General Support Expenses	159,737	165,598	170,818	163,506	149,561	8
Central Office Switching	75,366	72,654	138,869	125,740	119,702	9
Operator Systems Expense						10
Central Office Transmission	115,701	163,812	93,341	83,042	94,055	11
Info. Origination/Termination	9,777	16,874	26,814	16,738	4,850	12
Cable & Wire Facilities	65,339	92,471	57,921	101,328	86,966	13
<b>Total Plant Specific Operations</b>	<b>428,969</b>	<b>514,316</b>	<b>489,764</b>	<b>491,408</b>	<b>455,715</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	69,364	77,864	89,548	108,658	100,921	16
Access Expense	45,152	21,079	42,038	53,850	56,372	17
Depreciation and Amortization	350,259	334,806	354,232	408,809	451,396	18
<b>Total Plant Non-Specific Operations</b>	<b>464,775</b>	<b>433,749</b>	<b>485,818</b>	<b>571,317</b>	<b>608,689</b>	<b>19</b>
Marketing Expense	3,936	3,656	4,175	4,796	12,792	20
Services Expense	88,955	110,107	150,358	136,261	177,591	21
<b>Total Customer Operations</b>	<b>92,890</b>	<b>113,763</b>	<b>154,534</b>	<b>141,057</b>	<b>190,383</b>	<b>22</b>
Executive & Planning	223,566	150,990	180,807	142,336	180,361	23
General & Administrative	220,409	281,830	328,624	386,475	424,251	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>443,975</b>	<b>432,821</b>	<b>509,431</b>	<b>528,811</b>	<b>604,611</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,430,609</b>	<b>1,494,648</b>	<b>1,639,547</b>	<b>1,732,593</b>	<b>1,859,398</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	75,015	86,498	80,650	95,954	154,190	31
<b>Net Operating Income Before FIT</b>	<b>(1,449)</b>	<b>(55,106)</b>	<b>(82,394)</b>	<b>(204,179)</b>	<b>(173,133)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(5,600)	(21,400)	56,275	(66,210)	(28,277)	34
Provision - Def. Operating Income Taxes - Net	(25,492)	(133,871)	(163,423)	(83,422)	(53,915)	35
<b>Net Operating Income</b>	<b>\$29,644</b>	<b>\$100,165</b>	<b>\$24,754</b>	<b>(\$54,547)</b>	<b>(\$90,941)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$29,644	\$100,165	\$24,754	(\$54,547)	(\$90,941)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	1,000	1,300	1,300	1,250	1,262
39 Interest Income	6,531	12,570	10,011	4,038	11,824
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	217,999	168,848	317,992	213,647	372,462
44 Other Non-Operating Income	22,970	23,136	62,705	29,417	42,890
45 Special Charges	14,284	16,289	19,376	22,142	21,172
46 Total Non-Operating Income & Expenses	234,216	189,565	372,631	226,210	407,267
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	9,120	10,134	12,020	11,063	11,864
48 Other					
49 Total Non-Operating Taxes	9,120	10,134	12,020	11,063	11,864
50 Income Available Before Interest Charges	254,740	279,596	385,365	160,600	304,462
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	107,225	117,363	126,409	137,004	147,461
52 Other Interest Expense	53,148	45,583	35,602	24,789	30,102
53 Total Interest Charges	160,373	162,945	162,011	161,793	177,564
54 Income Before Extraordinary & Nonreg Items	94,367	116,651	223,354	(1,193)	126,898
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$94,367	\$116,651	\$223,354	(\$1,193)	\$126,898
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$2,122,166	\$2,174,363	\$2,225,983	\$2,461,780	\$2,707,343
60 Transferred from Income	(123,632)	(52,197)	(94,638)	(214,839)	(245,564)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments			43,018	(20,958)	
65 Ending Year Balance	1,998,534	2,122,166	2,174,363	2,225,983	2,461,780
66 Appropriated/Undistr Affiliate Retained Earnings	4,011,582	3,793,582	3,624,735	3,265,807	3,050,623
67 <b>Total Retained Earnings</b>	\$6,010,116	\$5,915,748	\$5,799,098	\$5,491,790	\$5,512,403

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments		\$120		\$1,050	(\$43,783)
2 Accounts Receivable (Net)	24,493,205	37,564,203	\$55,116,889	71,173,567	45,784,963
3 Current Deferred Income Taxes					
4 Other Current Assets	250,546	250,865	290,975	244,460	189,809
5 Total Current Assets	24,743,751	37,815,188	55,407,864	71,419,078	45,930,988
<b>NON-CURRENT ASSETS</b>					
6 Investments	(221,728,092)	(260,386,806)	(209,894,403)	(371,933,297)	(191,013,924)
7 Unamortized Debt Issuance Costs					
8 Deferred Charges			(273)	(273)	(273)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	(221,728,092)	(260,386,806)	(209,894,676)	(371,933,570)	(191,014,197)
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	1,195,744,893	1,186,512,867	1,175,547,391	1,164,741,548	1,149,821,862
14 Less: Accumulated Depr and Amort.	1,018,000,633	974,815,991	933,894,208	894,580,853	852,975,688
15 Net Regulated Plant	177,744,260	211,696,876	241,653,183	270,160,696	296,846,174
16 Total Assets & Other Debits	(\$19,240,082)	(\$10,874,743)	\$87,166,371	(\$30,353,796)	\$151,762,966
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$18,924,752	\$30,759,088	\$142,955,687	\$56,822,290	26,095,176
18 Notes Payable					
19 Advanced Billings	4,881,794	5,105,396	5,322,130	5,538,030	5,719,758
20 Customer Deposits	298	152	130	(109)	537
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	5,573,195	4,727,444	2,867,193	3,854,026	3,387,986
24 Total Current Liabilities	29,380,039	40,592,080	151,145,140	66,214,237	35,203,457
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	88,044,348	91,284,213	96,124,639	92,076,931	88,029,223
28 Other Deferred Credits	11,845,954	11,892,188	13,058,280	13,230,947	12,947,091
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	99,890,302	103,176,401	109,182,919	105,307,878	100,976,314
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	1,000	1,000	1,000	1,000	1,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	(148,511,422)	(154,644,223)	(173,162,689)	(201,876,912)	15,582,195
36 Total Stockholder's Equity	(148,510,422)	(154,643,223)	(173,161,689)	(201,875,912)	15,583,195
37 Total Liab. and Stockholder's Equity	(\$19,240,082)	(\$10,874,743)	\$87,166,371	(\$30,353,796)	\$151,762,966

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$50,634,870	\$54,489,084	\$57,629,255	\$61,084,483	\$65,157,082	1
Network Access Services	60,585,375	68,592,655	80,211,686	86,324,491	87,642,700	2
Long Distance Network Services	(882)	(23)	(357)	(78)	(279)	3
Miscellaneous Revenues	48,919,226	49,429,436	48,951,117	51,360,974	55,223,661	4
Less: Uncollectible Revenues	(1,011,864)	2,154,829	2,668,706	3,449,669	2,844,290	5
<b>Total Operating Revenues</b>	<b>161,150,453</b>	<b>170,356,323</b>	<b>184,122,994</b>	<b>195,320,201</b>	<b>205,178,874</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	2,468,496	2,466,168	(91,695)	1,531	246,869	7
General Support Expenses	7,409,662	7,463,493	7,502,709	10,428,168	9,180,239	8
Central Office Switching	5,289,590	5,136,528	4,941,001	5,133,304	4,808,606	9
Operator Systems Expense	6,604	10,340	15,304	117,415	137,974	10
Central Office Transmission	1,272,932	1,571,439	2,007,564	1,978,114	1,894,671	11
Info. Origination/Termination	4,890,134	5,784,113	6,513,595	7,405,576	6,874,290	12
Cable & Wire Facilities	12,101,127	13,352,615	14,804,431	14,951,112	13,763,790	13
<b>Total Plant Specific Operations</b>	<b>33,438,545</b>	<b>35,784,697</b>	<b>35,692,910</b>	<b>40,015,220</b>	<b>36,906,438</b>	<b>14</b>
Other Plant, Property & Equipment	(649)	27,045	(14,287)	(495)	81	15
Network Operations	14,037,067	14,478,822	13,969,677	10,338,009	12,965,097	16
Access Expense	3,724,531	3,615,980	3,825,424	3,623,756	3,410,336	17
Depreciation and Amortization	41,039,223	41,461,059	41,477,939	40,400,175	39,334,183	18
<b>Total Plant Non-Specific Operations</b>	<b>58,800,172</b>	<b>59,582,907</b>	<b>59,258,753</b>	<b>54,361,445</b>	<b>55,709,696</b>	<b>19</b>
Marketing Expense	7,522,273	5,502,451	6,554,963	6,074,314	6,370,452	20
Services Expense	12,768,515	11,868,496	11,038,036	12,710,996	10,422,336	21
<b>Total Customer Operations</b>	<b>20,290,788</b>	<b>17,370,947</b>	<b>17,593,000</b>	<b>18,785,310</b>	<b>16,792,788</b>	<b>22</b>
Executive & Planning	2,393,626	1,414,002	1,627,348	2,341,184	3,947,146	23
General & Administrative	14,030,017	11,978,811	10,258,817	16,293,656	19,322,816	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>16,423,642</b>	<b>13,392,813</b>	<b>11,886,165</b>	<b>18,634,840</b>	<b>23,269,961</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>128,953,147</b>	<b>126,131,363</b>	<b>124,430,827</b>	<b>131,796,815</b>	<b>132,678,883</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	9,681,314	9,260,618	10,101,050	9,127,361	10,569,920	31
<b>Net Operating Income Before FIT</b>	<b>22,515,993</b>	<b>34,964,342</b>	<b>49,591,117</b>	<b>54,396,025</b>	<b>61,930,071</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	1,542,891	7,496,825	12,617,006	14,659,819	16,146,331	34
Provision - Def. Operating Income Taxes - Net	(3,239,865)	(4,840,427)	(4,242,699)	(4,414,465)	(4,432,530)	35
<b>Net Operating Income</b>	<b>\$24,212,967</b>	<b>\$32,307,943</b>	<b>\$41,216,810</b>	<b>\$44,150,671</b>	<b>\$50,216,270</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$24,212,967	\$32,307,943	\$41,216,810	\$44,150,671	\$50,216,270
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	25,070	22,079	2,220	209,405	222,854
42 Gains/Losses - Disposal of Property	1,793		(609)		
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	(12,517,013)	(5,849,773)	(5,849,773)	(5,849,773)	(5,849,773)
45 Special Charges	5,232	2,032	9,514	297	116,904
46 Total Non-Operating Income & Expenses	(12,495,383)	(5,829,727)	(5,857,676)	(5,640,665)	(5,743,823)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	5,584,135	7,957,901	6,644,595	5,969,021	7,081,653
48 Other					
49 Total Non-Operating Taxes	5,584,135	7,957,901	6,644,595	5,969,021	7,081,653
50 Income Available Before Interest Charges	6,133,449	18,520,316	28,714,539	32,540,985	37,390,794
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	648	1,850	315	87	115
53 Total Interest Charges	648	1,850	315	87	115
54 Income Before Extraordinary & Nonreg Items	6,132,801	18,518,465	28,714,224	32,540,898	37,390,679
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	27,364,489	27,374,632	25,664,527	25,122,986	28,228,259
57 Total Extraordinary & Nonregulated Items	27,364,489	27,374,632	25,664,527	25,122,986	28,228,259
58 <b>Net Income</b>	<b>\$33,497,290</b>	<b>\$45,893,097</b>	<b>\$54,378,751</b>	<b>\$57,663,884</b>	<b>\$65,618,938</b>
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<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$154,644,223)	(\$173,162,688)	(\$201,876,912)	\$15,582,198	\$228,191,518
60 Transferred from Income	6,132,801	18,518,465	28,714,224	32,540,890	37,390,680
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				250,000,000	250,000,000
64 Adjustments					
65 Ending Year Balance	(148,511,422)	(154,644,223)	(173,162,688)	(201,876,912)	15,582,198
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	<b>(\$148,511,422)</b>	<b>(\$154,644,223)</b>	<b>(\$173,162,688)</b>	<b>(\$201,876,912)</b>	<b>\$15,582,198</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$124,998	\$60,356	\$83,899	\$223,992	\$102,638
2 Accounts Receivable (Net)	147,930	201,838	226,528	294,678	271,542
3 Current Deferred Income Taxes					
4 Other Current Assets	126,217	156,219	161,473	166,547	172,828
5 Total Current Assets	399,145	418,413	471,900	685,218	547,008
<b>NON-CURRENT ASSETS</b>					
6 Investments	494,156	505,891	380,031	226,273	178,795
7 Unamortized Debt Issuance Costs	1,395	1,650	1,906	2,163	2,599
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	128,344	238,108	454,917	482,430	537,260
11 Other Non-Current Assets					
12 Total Non-Current Assets	623,895	745,649	836,854	710,866	718,653
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	7,141,708	7,119,981	7,109,341	7,109,595	7,075,526
14 Less: Accumulated Depr and Amort.	5,712,271	5,398,046	5,092,298	4,790,957	4,484,663
15 Net Regulated Plant	1,429,437	1,721,935	2,017,042	2,318,638	2,590,863
16 Total Assets & Other Debits	\$2,452,478	\$2,885,997	\$3,325,796	\$3,714,722	\$3,856,525
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$146,203	\$258,275	\$73,194	\$356,646	\$354,071
18 Notes Payable			6,926	8,679	10,495
19 Advanced Billings				4,400	4,400
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	379,051	280,494	226,824	150,458	74,070
24 Total Current Liabilities	525,254	538,769	306,944	520,183	443,035
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	2,373,417	2,557,569	2,722,420	2,878,967	3,069,017
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	91,694	260,483	318,682	393,119	445,588
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	91,694	260,483	318,682	393,119	445,588
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	24,300	24,300	24,300	24,300	24,300
33 Preferred Stock					
34 Other Paid in Capital	4,863	68,940	45,479	42,009	38,594
35 Retained Earnings	(567,050)	(564,065)	(92,029)	(143,857)	(164,011)
36 Total Stockholder's Equity	(537,887)	(470,825)	(22,250)	(77,548)	(101,117)
37 Total Liab. and Stockholder's Equity	\$2,452,478	\$2,885,997	\$3,325,796	\$3,714,720	\$3,856,523

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$264,925	\$277,380	\$276,770	\$280,224	\$262,754	1
Network Access Services	768,694	728,505	918,841	973,621	979,498	2
Long Distance Network Services	236,064	236,064	236,064	236,064	236,063	3
Miscellaneous Revenues	168,046	81,215	66,181	109,886	60,959	4
Less: Uncollectible Revenues	2,587	17,435	4,500	18,500	3,000	5
<b>Total Operating Revenues</b>	<b>1,435,141</b>	<b>1,305,729</b>	<b>1,493,357</b>	<b>1,581,295</b>	<b>1,536,275</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	227	883	(1,437)	1,509	2,018	7
General Support Expenses	54,509	55,064	51,556	49,814	45,001	8
Central Office Switching	44,448	67,273	90,213	84,853	104,322	9
Operator Systems Expense						10
Central Office Transmission	23,979	38,459	69,248	64,010	84,770	11
Info. Origination/Termination	11,623	15,376	24,015	16,962	15,513	12
Cable & Wire Facilities	296,040	261,256	228,450	207,928	209,868	13
<b>Total Plant Specific Operations</b>	<b>430,825</b>	<b>438,309</b>	<b>462,045</b>	<b>425,076</b>	<b>461,493</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	56,508	94,697	28,401	31,800	78,190	16
Access Expense	23,133	29,022	23,630	22,084	30,083	17
Depreciation and Amortization	306,238	305,748	302,950	301,905	299,899	18
<b>Total Plant Non-Specific Operations</b>	<b>385,879</b>	<b>429,466</b>	<b>354,981</b>	<b>355,789</b>	<b>408,172</b>	<b>19</b>
Marketing Expense	898	34,934	8,951	4,248	8,546	20
Services Expense	129,191	182,564	167,528	136,507	139,205	21
<b>Total Customer Operations</b>	<b>130,089</b>	<b>217,498</b>	<b>176,479</b>	<b>140,755</b>	<b>147,751</b>	<b>22</b>
Executive & Planning	146,933	223,198	198,183	197,941	232,096	23
General & Administrative	239,005	229,078	232,276	261,743	242,936	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>385,938</b>	<b>452,276</b>	<b>430,459</b>	<b>459,684</b>	<b>475,032</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,332,732</b>	<b>1,537,550</b>	<b>1,423,964</b>	<b>1,381,304</b>	<b>1,492,447</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	53,702	52,014	49,425	62,515	69,237	31
<b>Net Operating Income Before FIT</b>	<b>48,707</b>	<b>(283,835)</b>	<b>19,968</b>	<b>137,476</b>	<b>(25,409)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes		21,182				34
Provision - Def. Operating Income Taxes - Net	(26,387)	146,523	(42,863)	2,578	3,006	35
<b>Net Operating Income</b>	<b>\$75,094</b>	<b>(\$409,176)</b>	<b>\$62,831</b>	<b>\$134,898</b>	<b>(\$28,415)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$75,094	(\$409,176)	\$62,831	\$134,898	(\$28,415)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income		650		4,664	5,088
39 Interest Income	1	2			11
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		90,311	148,500	42,305	11,446
44 Other Non-Operating Income	78,142	174		3,619	
45 Special Charges	6,055	14,286	17,206	10,473	9,603
46 Total Non-Operating Income & Expenses	72,088	76,851	131,294	40,115	6,942
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	21,554		(5,849)	(1,975)	(16)
48 Other					
49 Total Non-Operating Taxes	21,554		(5,849)	(1,975)	(16)
50 Income Available Before Interest Charges	125,628	(332,325)	199,974	176,988	(21,457)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	127,772	137,939	146,085	154,653	162,741
52 Other Interest Expense	256	1,771	2,063	2,181	3,227
53 Total Interest Charges	128,028	139,710	148,148	156,834	165,968
54 Income Before Extraordinary & Nonreg Items	(2,400)	(472,036)	51,829	20,154	(187,425)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$2,400)	(\$472,036)	\$51,829	\$20,154	(\$187,425)

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$3,247,766	\$3,810,112	\$3,906,784	\$3,928,935	\$4,127,806
60 Transferred from Income	(2,400)	(562,347)	(96,671)	(22,151)	(198,871)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	3,245,365	3,247,766	3,810,112	3,906,784	3,928,935
66 Appropriated/Undistr Affiliate Retained Earnings	(3,812,415)	(3,811,830)	(3,902,141)	(4,050,641)	(4,092,946)
67 <b>Total Retained Earnings</b>	(\$567,050)	(\$564,064)	(\$92,029)	(\$143,857)	(\$164,011)

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$1,196,811	\$1,750,322	\$1,561,100	\$912,246	\$960,142
2 Accounts Receivable (Net)	1,354,751	1,327,247	1,313,655	1,707,142	1,278,360
3 Current Deferred Income Taxes	8,723	8,169	7,545	6,864	6,078
4 Other Current Assets	331,948	290,477	293,134	310,608	380,987
5 Total Current Assets	2,892,233	3,376,215	3,175,434	2,936,859	2,625,567
<b>NON-CURRENT ASSETS</b>					
6 Investments	1,025,968	591,001	647,303	612,606	699,668
7 Unamortized Debt Issuance Costs				246	984
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	674,207	792,102	929,658	1,067,314	1,103,999
11 Other Non-Current Assets	447,197	410,487	385,127	359,511	335,257
12 Total Non-Current Assets	2,147,372	1,793,590	1,962,088	2,039,677	2,139,908
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	18,588,654	18,968,566	18,329,611	17,969,891	17,729,715
14 Less: Accumulated Depr and Amort.	11,139,048	11,270,616	10,409,129	9,629,730	8,996,691
15 Net Regulated Plant	7,449,606	7,697,950	7,920,482	8,340,161	8,733,024
16 Total Assets & Other Debits	\$12,489,210	\$12,867,755	\$13,058,004	\$13,316,698	\$13,498,500
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$148,137	\$120,810	\$154,425	\$108,691	\$146,086
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	219,035	275,640	227,203	264,288	168,328
24 Total Current Liabilities	367,172	396,450	381,628	372,979	314,414
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	30,633	38,502	45,666	111,849	315,529
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,409,832	1,480,388	1,561,665	1,630,991	1,550,511
28 Other Deferred Credits	699,406	851,535	1,032,510	1,185,324	1,338,328
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	787,770	813,171	805,275	809,698	802,403
31 Total Other Liab. and Def. Credits	2,897,008	3,145,094	3,399,450	3,626,013	3,691,242
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	110,000	110,000	110,000	110,000	110,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	9,084,397	9,177,709	9,121,260	9,095,856	9,067,315
36 Total Stockholder's Equity	9,194,397	9,287,709	9,231,260	9,205,856	9,177,315
37 Total Liab. and Stockholder's Equity	\$12,489,210	\$12,867,755	\$13,058,004	\$13,316,697	\$13,498,500

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$800,159	\$782,598	\$773,920	\$790,168	\$869,519	1
Network Access Services	2,472,467	2,562,630	2,630,272	2,817,384	2,427,266	2
Long Distance Network Services	975	1,146	1,546	2,142	2,338	3
Miscellaneous Revenues	207,632	232,725	233,874	263,691	279,347	4
Less: Uncollectible Revenues	3,285	2,505	3,770	2,599	4,999	5
<b>Total Operating Revenues</b>	<b>3,477,948</b>	<b>3,576,595</b>	<b>3,635,841</b>	<b>3,870,786</b>	<b>3,573,471</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses				(2,586)	1,570	7
General Support Expenses	154,634	125,004	127,886	144,737	166,962	8
Central Office Switching	106,573	120,815	125,266	147,117	142,490	9
Operator Systems Expense						10
Central Office Transmission	167,581	108,219	150,339	131,023	82,015	11
Info. Origination/Termination	16,134	16,399	17,175	18,301	28,332	12
Cable & Wire Facilities	214,772	256,789	250,251	260,788	233,542	13
<b>Total Plant Specific Operations</b>	<b>659,693</b>	<b>627,226</b>	<b>670,916</b>	<b>699,380</b>	<b>654,912</b>	<b>14</b>
Other Plant, Property & Equipment		1,284	88	68	16,655	15
Network Operations	552,715	532,252	540,342	527,329	523,878	16
Access Expense	122,773	100,248	97,870	99,110	67,696	17
Depreciation and Amortization	908,460	885,946	839,021	839,283	791,281	18
<b>Total Plant Non-Specific Operations</b>	<b>1,583,949</b>	<b>1,519,729</b>	<b>1,477,321</b>	<b>1,465,790</b>	<b>1,399,510</b>	<b>19</b>
Marketing Expense	25,658	30,940	25,129	27,791	34,044	20
Services Expense	322,459	329,038	372,023	396,296	427,100	21
<b>Total Customer Operations</b>	<b>348,117</b>	<b>359,978</b>	<b>397,151</b>	<b>424,087</b>	<b>461,144</b>	<b>22</b>
Executive & Planning	122,100	231,987	239,918	241,978	216,519	23
General & Administrative	459,164	422,729	444,634	452,663	466,767	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>581,264</b>	<b>654,716</b>	<b>684,551</b>	<b>694,641</b>	<b>683,285</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>3,173,023</b>	<b>3,161,649</b>	<b>3,229,940</b>	<b>3,283,898</b>	<b>3,198,852</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	220,090	219,533	249,718	244,549	217,647	31
<b>Net Operating Income Before FIT</b>	<b>84,834</b>	<b>195,413</b>	<b>156,182</b>	<b>342,339</b>	<b>156,972</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(1,466)	29,510		1,485	(5,036)	34
Provision - Def. Operating Income Taxes - Net	26,930	11,241	53,290	101,803	77,570	35
<b>Net Operating Income</b>	<b>\$59,371</b>	<b>\$154,662</b>	<b>\$102,892</b>	<b>\$239,051</b>	<b>\$84,437</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$59,371	\$154,662	\$102,892	\$239,051	\$84,437
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	3,035	5,840	3,811	1,676	3,081
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	(65,034)	(56,302)	34,697	(87,062)	67,004
44 Other Non-Operating Income	4,857				129
45 Special Charges	2,843	(3,083)	4,318	2,511	1,625
46 Total Non-Operating Income & Expenses	(59,985)	(47,378)	34,190	(87,897)	68,589
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	15,844	14,722	16,108	14,789	15,221
48 Other					
49 Total Non-Operating Taxes	15,844	14,722	16,108	14,789	15,221
50 Income Available Before Interest Charges	(16,458)	92,562	120,974	136,365	137,806
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	2,441	3,774	4,104	16,351	31,174
52 Other Interest Expense	(46,308)	(46,862)	(47,134)	(47,128)	(47,587)
53 Total Interest Charges	(43,867)	(43,088)	(43,030)	(30,777)	(16,413)
54 Income Before Extraordinary & Nonreg Items	27,409	135,649	164,004	167,142	154,219
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$27,409	\$135,649	\$164,004	\$167,142	\$154,219

**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$11,126,653	\$11,013,904	\$11,023,198	\$10,907,595	\$10,958,979
60 Transferred from Income	92,443	191,949	129,306	254,203	87,215
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	128,700	79,200	138,600	138,600	138,600
64 Adjustments	(7,975)				
65 Ending Year Balance	11,098,371	11,126,653	11,013,904	11,023,198	10,907,595
66 Appropriated/Undistr Affiliate Retained Earnings	(2,013,974)	(1,948,945)	(1,892,643)	(1,927,340)	(1,840,278)
67 <b>Total Retained Earnings</b>	\$9,084,397	\$9,177,709	\$9,121,261	\$9,095,858	\$9,067,315

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,591,661	\$2,417,577	\$1,588,800	\$2,723,499	\$1,732,959
2 Accounts Receivable (Net)	1,248,154	1,237,035	1,949,545	1,093,726	1,103,992
3 Current Deferred Income Taxes					
4 Other Current Assets	90,977	102,412	93,672	95,518	99,383
5 Total Current Assets	3,930,792	3,757,024	3,632,017	3,912,743	2,936,334
<b>NON-CURRENT ASSETS</b>					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	98	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	98	100	100	100	100
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	23,045,184	23,941,956	23,378,420	22,686,779	23,605,651
14 Less: Accumulated Depr and Amort.	16,608,884	16,881,206	16,194,160	15,670,568	16,131,593
15 Net Regulated Plant	6,436,300	7,060,750	7,184,260	7,016,211	7,474,058
16 Total Assets & Other Debits	\$10,367,190	\$10,817,874	\$10,816,377	\$10,929,054	\$10,410,492
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$603,157	\$865,588	\$830,800	\$670,637	\$701,282
18 Notes Payable					
19 Advanced Billings	227,062	227,014	217,238	211,837	209,718
20 Customer Deposits					
21 Current Maturities - Long-Term Debt				262	6,072
22 Current Deferred Income Taxes	(18,963)	(17,774)	(13,015)	(18,917)	(12,082)
23 Other Current Liabilities	257,084	445,479	223,635	458,566	145,532
24 Total Current Liabilities	1,068,340	1,520,307	1,258,658	1,322,385	1,050,522
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					262
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,588,791	1,505,828	1,555,932	1,491,536	1,524,469
28 Other Deferred Credits		103,264	215,786	328,370	440,954
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(98,655)	(11,497)	63,851	46,019	(16,412)
31 Total Other Liab. and Def. Credits	1,490,136	1,597,595	1,835,569	1,865,925	1,949,011
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	322,250	322,250	322,250	322,250	322,250
33 Preferred Stock					
34 Other Paid in Capital	615,203	566,950	522,340	544,711	578,183
35 Retained Earnings	6,871,261	6,810,772	6,877,560	6,873,783	6,510,264
36 Total Stockholder's Equity	7,808,714	7,699,972	7,722,150	7,740,744	7,410,697
37 Total Liab. and Stockholder's Equity	\$10,367,190	\$10,817,874	\$10,816,377	\$10,929,054	\$10,410,492

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,413,197	\$1,465,221	\$1,470,108	\$1,601,559	\$1,693,248	1
Network Access Services	2,432,716	2,559,682	2,428,784	2,388,274	2,180,745	2
Long Distance Network Services		1	8	97	60	3
Miscellaneous Revenues	1,836,900	1,829,812	1,805,828	1,724,439	1,662,878	4
Less: Uncollectible Revenues	24,001	23,291	6,773	45,060	35,235	5
<b>Total Operating Revenues</b>	<b>5,658,812</b>	<b>5,831,425</b>	<b>5,697,955</b>	<b>5,669,309</b>	<b>5,501,696</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	9,080	11,264	13,376	11,853	12,249	7
General Support Expenses	314,368	309,346	295,594	296,273	303,678	8
Central Office Switching	224,627	167,047	78,625	122,830	146,809	9
Operator Systems Expense						10
Central Office Transmission	375,729	453,406	403,041	391,649	278,574	11
Info. Origination/Termination	242,997	267,132	276,086	439,094	437,409	12
Cable & Wire Facilities	553,078	731,587	634,039	734,799	610,748	13
<b>Total Plant Specific Operations</b>	<b>1,719,879</b>	<b>1,939,782</b>	<b>1,700,761</b>	<b>1,996,498</b>	<b>1,789,467</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	726,030	727,519	719,608	561,754	555,926	16
Access Expense	95,777	89,892	129,011	118,831	176,874	17
Depreciation and Amortization	953,483	984,528	907,964	938,015	756,914	18
<b>Total Plant Non-Specific Operations</b>	<b>1,775,290</b>	<b>1,801,939</b>	<b>1,756,583</b>	<b>1,618,600</b>	<b>1,489,714</b>	<b>19</b>
Marketing Expense	300,977	372,370	426,503	365,362	360,065	20
Services Expense	251,182	313,494	314,174	299,562	335,555	21
<b>Total Customer Operations</b>	<b>552,159</b>	<b>685,864</b>	<b>740,677</b>	<b>664,924</b>	<b>695,620</b>	<b>22</b>
Executive & Planning	185,793	187,517	200,034	197,258	184,246	23
General & Administrative	1,159,830	1,180,541	1,182,603	1,003,883	992,932	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>1,345,623</b>	<b>1,368,058</b>	<b>1,382,637</b>	<b>1,201,141</b>	<b>1,177,178</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>5,392,951</b>	<b>5,795,643</b>	<b>5,580,658</b>	<b>5,481,163</b>	<b>5,151,979</b>	<b>28</b>
Other Operating Income & Expenses	(1,442)	2,443				29
State & Local Income Taxes	(514)	(274)	(271)	(474)	44	30
Other Taxes	225,535	196,990	177,352	194,492	195,720	31
<b>Net Operating Income Before FIT</b>	<b>39,398</b>	<b>(158,491)</b>	<b>(59,784)</b>	<b>(5,872)</b>	<b>153,953</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(77,696)	(14,417)	(142,721)	(23,538)	(113,649)	34
Provision - Def. Operating Income Taxes - Net	55,548	(79,143)	82,189	(14,421)	130,299	35
<b>Net Operating Income</b>	<b>\$61,546</b>	<b>(\$64,931)</b>	<b>\$748</b>	<b>\$32,087</b>	<b>\$137,303</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$61,546	(\$64,931)	\$748	\$32,087	\$137,303
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	3,692	2,193	9,099	10,204	10,444
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		(227)	(100)	(559)	(1,370)
45 Special Charges	4,029	4,028	3,736	(496,657)	506,769
46 Total Non-Operating Income & Expenses	(337)	(2,062)	5,263	506,302	(497,695)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(193)	(671)	2,034	173,532	(174,189)
48 Other	514	274		987	
49 Total Non-Operating Taxes	321	(397)	2,034	174,519	(174,189)
50 Income Available Before Interest Charges	60,888	(66,596)	3,977	363,870	(186,203)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	399	192	200	351	728
53 Total Interest Charges	399	192	200	351	728
54 Income Before Extraordinary & Nonreg Items	60,489	(66,788)	3,777	363,519	(186,931)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$60,489	(\$66,788)	\$3,777	\$363,519	(\$186,931)
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$6,810,772	\$6,877,560	\$6,873,783	\$6,510,264	\$6,697,195
60 Transferred from Income	60,489	(66,788)	3,777	363,519	(186,931)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	6,871,261	6,810,772	6,877,560	6,873,783	6,510,264
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$6,871,261	\$6,810,772	\$6,877,560	\$6,873,783	\$6,510,264

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$21,975	\$128,484	\$134,807	\$122,156	\$107,531
2 Accounts Receivable (Net)	229,657	315,743	572,613	701,910	640,204
3 Current Deferred Income Taxes		34,968	33,877	31,555	32,992
4 Other Current Assets	501,894	760,036	647,065	709,820	2,104,094
5 Total Current Assets	753,526	1,239,231	1,388,362	1,565,441	2,884,821
<b>NON-CURRENT ASSETS</b>					
6 Investments	4,657,651	4,548,369	4,279,819	3,990,167	3,633,024
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes		728,156	874,380	860,635	836,001
11 Other Non-Current Assets	64,261	64,261	64,261	64,261	64,261
12 Total Non-Current Assets	4,721,912	5,340,786	5,218,460	4,915,063	4,533,286
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	15,456,895	15,030,474	17,394,962	18,760,477	18,627,193
14 Less: Accumulated Depr and Amort.	11,794,433	11,980,004	14,490,084	15,381,995	15,075,916
15 Net Regulated Plant	3,662,462	3,050,470	2,904,878	3,378,482	3,551,277
16 Total Assets & Other Debits	\$9,137,900	\$9,630,487	\$9,511,700	\$9,858,986	\$10,969,384
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$28,735	\$277,137	\$341,333	\$446,144	\$253,779
18 Notes Payable	3,595,000	2,695,000	1,615,000	1,690,000	3,335,000
19 Advanced Billings			125,862	137,122	180,652
20 Customer Deposits		1,310	1,929	3,381	3,394
21 Current Maturities - Long-Term Debt	37,025	13,810	61,340	75,809	62,849
22 Current Deferred Income Taxes					
23 Other Current Liabilities	905,813	946,222	1,073,856	725,330	(28,257)
24 Total Current Liabilities	4,566,573	3,933,479	3,219,320	3,077,786	3,807,417
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	51,696	3,555	15,621	88,475	144,429
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	307,487	1,011,247	981,790	1,069,720	992,778
28 Other Deferred Credits	83,662	81,447	264,257	260,029	255,127
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	459,042	346,515	393,216	453,100	497,287
31 Total Other Liab. and Def. Credits	850,191	1,439,209	1,639,263	1,782,849	1,745,192
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	619,975	619,975	619,975	619,975	619,975
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	3,049,465	3,634,269	4,017,521	4,289,911	4,652,371
36 Total Stockholder's Equity	3,669,440	4,254,244	4,637,496	4,909,886	5,272,346
37 Total Liab. and Stockholder's Equity	\$9,137,900	\$9,630,487	\$9,511,700	\$9,858,986	\$10,969,384

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,728,833	\$1,774,260	\$1,836,771	\$1,926,831	\$1,962,382	1
Network Access Services	2,958,798	2,919,822	2,644,878	2,869,960	2,731,335	2
Long Distance Network Services	763	208	2	1,683	2,760	3
Miscellaneous Revenues	103,051	220,826	346,663	494,187	524,181	4
Less: Uncollectible Revenues	15,080	11,495	2,069	(4,602)	25,140	5
<b>Total Operating Revenues</b>	<b>4,776,365</b>	<b>4,903,621</b>	<b>4,826,245</b>	<b>5,297,263</b>	<b>5,195,518</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	48,903	42,206	85,922	113,493	76,617	7
General Support Expenses	629,079	590,589	498,367	528,201	502,373	8
Central Office Switching	59,275	63,251	86,347	103,668	118,819	9
Operator Systems Expense						10
Central Office Transmission	222,821	210,619	204,639	183,378	139,895	11
Info. Origination/Termination						12
Cable & Wire Facilities	131,522	107,344	105,892	134,915	149,372	13
<b>Total Plant Specific Operations</b>	<b>1,091,600</b>	<b>1,014,009</b>	<b>981,167</b>	<b>1,063,655</b>	<b>987,076</b>	<b>14</b>
Other Plant, Property & Equipment	249	4,218	64,257	79,649	60,491	15
Network Operations	217,997	246,897	199,010	155,154	197,450	16
Access Expense	167,187	140,723	147,759	115,166	109,122	17
Depreciation and Amortization	824,343	699,245	689,100	701,377	669,988	18
<b>Total Plant Non-Specific Operations</b>	<b>1,209,776</b>	<b>1,091,083</b>	<b>1,100,126</b>	<b>1,051,346</b>	<b>1,037,051</b>	<b>19</b>
Marketing Expense	554,022	492,566	415,859	437,998	364,568	20
Services Expense	441,146	508,197	622,607	633,732	606,228	21
<b>Total Customer Operations</b>	<b>995,168</b>	<b>1,000,763</b>	<b>1,038,466</b>	<b>1,071,730</b>	<b>970,796</b>	<b>22</b>
Executive & Planning	1,004,887	1,332,309	1,038,752	1,186,588	1,319,746	23
General & Administrative	1,099,085	995,903	1,025,866	1,085,470	1,024,128	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>2,103,972</b>	<b>2,328,212</b>	<b>2,064,618</b>	<b>2,272,058</b>	<b>2,343,874</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>5,400,516</b>	<b>5,434,067</b>	<b>5,184,377</b>	<b>5,458,789</b>	<b>5,338,797</b>	<b>28</b>
Other Operating Income & Expenses	12,744		266	51	1,069	29
State & Local Income Taxes				1	(400)	30
Other Taxes	253,819	296,531	311,740	315,063	298,608	31
<b>Net Operating Income Before FIT</b>	<b>(865,226)</b>	<b>(826,977)</b>	<b>(669,606)</b>	<b>(476,539)</b>	<b>(440,418)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(440,608)	(285,254)	(150,363)	(272,725)	(268,707)	34
Provision - Def. Operating Income Taxes - Net	42,715	(11,330)	(103,997)	53,745	36,183	35
<b>Net Operating Income</b>	<b>(\$467,333)</b>	<b>(\$530,393)</b>	<b>(\$415,246)</b>	<b>(\$257,559)</b>	<b>(\$207,894)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$467,333)	(\$530,393)	(\$415,246)	(\$257,559)	(\$207,894)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income				1	1
39 Interest Income				14	10,726
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					(4)
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	53,954	269,863	283,956	301,555	367,093
44 Other Non-Operating Income					
45 Special Charges	49,642	35,603	46,855	29,207	48,497
46 Total Non-Operating Income & Expenses	4,312	234,260	237,101	272,363	329,319
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes				222,432	
48 Other					
49 Total Non-Operating Taxes				222,432	
50 Income Available Before Interest Charges	(463,021)	(296,133)	(178,145)	(207,628)	121,425
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	105,798	61,598	71,725	117,691	179,442
53 Total Interest Charges	105,798	61,598	71,725	117,691	179,442
54 Income Before Extraordinary & Nonreg Items	(568,819)	(357,731)	(249,870)	(325,319)	(58,017)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	(15,985)	(25,521)	(22,520)	(37,141)	(58,083)
57 Total Extraordinary & Nonregulated Items	(15,985)	(25,521)	(22,520)	(37,141)	(58,083)
58 <b>Net Income</b>	(\$584,804)	(\$383,252)	(\$272,390)	(\$362,460)	(\$116,100)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$1,932,364)	(\$1,279,249)	(\$722,903)	(\$58,888)	\$424,305
60 Transferred from Income	(638,758)	(653,115)	(556,346)	(664,015)	(483,193)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	(2,571,122)	(1,932,364)	(1,279,249)	(722,903)	(58,888)
66 Appropriated/Undistr Affiliate Retained Earnings	5,620,587	5,566,633	5,296,770	5,012,814	4,711,259
67 <b>Total Retained Earnings</b>	\$3,049,465	\$3,634,269	\$4,017,521	\$4,289,911	\$4,652,371

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,076,293	\$2,124,632	\$1,821,733	\$1,711,930	\$1,997,362
2 Accounts Receivable (Net)	310,093	255,128	277,504	261,878	285,193
3 Current Deferred Income Taxes					
4 Other Current Assets	40,308	57,421	46,274	60,341	64,004
5 Total Current Assets	2,426,694	2,437,181	2,145,511	2,034,149	2,346,559
<b>NON-CURRENT ASSETS</b>					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	27,199	70	70	70	
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	27,199	70	70	70	
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	11,293,211	11,384,412	11,247,544	11,097,315	10,922,943
14 Less: Accumulated Depr and Amort.	10,383,988	9,902,623	9,378,473	8,913,303	8,392,538
15 Net Regulated Plant	909,223	1,481,789	1,869,071	2,184,012	2,530,405
16 Total Assets & Other Debits	\$3,363,116	\$3,919,040	\$4,014,652	\$4,218,231	\$4,876,964
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$193,781	\$304,751	\$254,375	\$234,243	\$243,126
18 Notes Payable					
19 Advanced Billings	21,568	21,580	20,397	18,765	17,999
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					1,867
22 Current Deferred Income Taxes	(7,243)	(6,278)	(5,679)	(8,937)	(5,589)
23 Other Current Liabilities	100,450	100,341	35,907	95,626	40,160
24 Total Current Liabilities	308,556	420,394	305,000	339,697	297,563
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	79,829	198,279	284,010	304,423	352,945
28 Other Deferred Credits	2,095,632	2,045,369	2,033,372	1,997,121	1,964,017
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(133,308)	(84,707)	(23,179)	(20,513)	(27,450)
31 Total Other Liab. and Def. Credits	2,042,153	2,158,941	2,294,203	2,281,031	2,289,512
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	67,600	67,600	67,600	67,600	67,600
33 Preferred Stock					
34 Other Paid in Capital	90,432	72,597	38,908	38,311	44,107
35 Retained Earnings	854,375	1,199,508	1,308,941	1,491,592	2,178,182
36 Total Stockholder's Equity	1,012,407	1,339,705	1,415,449	1,597,503	2,289,889
37 Total Liab. and Stockholder's Equity	\$3,363,116	\$3,919,040	\$4,014,652	\$4,218,231	\$4,876,964

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$352,092	\$363,249	\$339,712	\$372,964	\$390,055	1
Network Access Services	969,992	927,435	1,051,588	1,123,058	1,107,515	2
Long Distance Network Services						3
Miscellaneous Revenues	634,012	769,050	765,131	661,950	691,660	4
Less: Uncollectible Revenues	12,317	5,901	16,342	7,953	15,544	5
Total Operating Revenues	1,943,779	2,053,833	2,140,089	2,150,019	2,173,686	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	8,993	5,008	4,593	5,015	5,765	7
General Support Expenses	134,316	119,054	115,526	109,486	120,036	8
Central Office Switching	66,942	75,117	72,940	80,433	90,347	9
Operator Systems Expense						10
Central Office Transmission	192,368	252,713	200,086	173,578	127,968	11
Info. Origination/Termination	34,710	43,388	54,299	110,175	96,940	12
Cable & Wire Facilities	545,671	229,900	410,837	307,452	318,905	13
Total Plant Specific Operations	983,000	725,180	858,281	786,139	759,961	14
Other Plant, Property & Equipment						15
Network Operations	249,960	230,895	220,050	183,230	185,094	16
Access Expense	24,665	23,142	33,699	31,914	51,607	17
Depreciation and Amortization	611,439	591,825	584,563	582,860	502,669	18
Total Plant Non-Specific Operations	886,064	845,862	838,312	798,004	739,370	19
Marketing Expense	75,063	91,104	104,130	89,156	90,960	20
Services Expense	68,746	80,723	96,892	86,996	103,739	21
Total Customer Operations	143,809	171,827	201,022	176,152	194,699	22
Executive & Planning	38,818	41,093	45,323	51,926	49,434	23
General & Administrative	246,773	261,593	271,949	266,453	272,541	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	285,591	302,686	317,272	318,379	321,975	27
Total Operations Expense	2,298,464	2,045,555	2,214,887	2,078,674	2,016,005	28
Other Operating Income & Expenses	(22)					29
State & Local Income Taxes						30
Other Taxes	115,422	136,259	145,019	168,313	167,758	31
<b>Net Operating Income Before FIT</b>	(470,129)	(127,981)	(219,817)	(96,968)	(10,077)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(50,075)	44,974	(82,520)	(9,145)	(25,644)	34
Provision - Def. Operating Income Taxes - Net	(135,444)	(104,470)	(17,477)	(47,388)	(4,552)	35
<b>Net Operating Income</b>	(\$284,610)	(\$68,485)	(\$119,820)	(\$40,435)	\$20,119	36

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$284,610)	(\$68,485)	(\$119,820)	(\$40,435)	\$20,119
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	3,447	3,027	6,801	10,506	12,196
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	1,244	1,060	1,141	(275,380)	254,537
46 Total Non-Operating Income & Expenses	2,203	1,967	5,660	285,886	(242,341)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	867	688	2,004	100,677	(84,836)
48 Other					
49 Total Non-Operating Taxes	867	688	2,004	100,677	(84,836)
50 Income Available Before Interest Charges	(283,274)	(67,206)	(116,164)	144,774	(137,386)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	61,859	42,227	66,487	63,364	76,633
53 Total Interest Charges	61,859	42,227	66,487	63,364	76,633
54 Income Before Extraordinary & Nonreg Items	(345,133)	(109,433)	(182,651)	81,410	(214,019)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$345,133)	(\$109,433)	(\$182,651)	\$81,410	(\$214,019)
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,199,508	\$1,308,941	\$1,491,592	\$2,178,182	\$2,559,201
60 Transferred from Income	(345,133)	(109,433)	(182,651)	81,410	(214,019)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				768,000	167,000
64 Adjustments					
65 Ending Year Balance	854,375	1,199,508	1,308,941	1,491,592	2,178,182
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$854,375	\$1,199,508	\$1,308,941	\$1,491,592	\$2,178,182

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$945,803	\$999,811	\$836,695	\$1,486,935	\$998,645
2 Accounts Receivable (Net)	1,081,963	1,155,239	1,143,824	1,303,305	1,177,314
3 Current Deferred Income Taxes	31,574	28,346	29,703	39,064	34,773
4 Other Current Assets	657,248	794,365	605,589	506,313	582,947
5 Total Current Assets	2,716,588	2,977,761	2,615,811	3,335,617	2,793,679
<b>NON-CURRENT ASSETS</b>					
6 Investments	10,950,421	10,696,364	10,088,539	9,051,184	8,655,793
7 Unamortized Debt Issuance Costs					
8 Deferred Charges		4,508	26,260	1,121	(7,364)
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	201,517	235,974	321,116	412,131	466,396
11 Other Non-Current Assets	1,501,168	1,469,190	1,442,774	1,403,173	1,363,120
12 Total Non-Current Assets	12,653,106	12,406,036	11,878,689	10,867,609	10,477,945
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	33,526,018	33,584,696	33,438,514	32,939,029	32,677,931
14 Less: Accumulated Depr and Amort.	22,782,651	21,988,103	21,285,144	20,567,904	19,704,497
15 Net Regulated Plant	10,743,367	11,596,593	12,153,370	12,371,125	12,973,434
16 Total Assets & Other Debits	\$26,113,061	\$26,980,390	\$26,647,870	\$26,574,351	\$26,245,058
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$371,600	\$766,346	\$184,522	\$223,665	154,828
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits	(206)	(206)			
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	21,708	(179,861)	(188,672)	119,757	(236,721)
24 Total Current Liabilities	393,102	586,279	(4,150)	343,422	(81,893)
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	229,769	245,526	338,074	223,717	172,691
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,541,228	2,770,489	2,787,941	2,752,250	2,921,933
28 Other Deferred Credits	749,816	870,128	902,831	1,137,856	1,981,148
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	23,498	14,545	41,627	74,295	
31 Total Other Liab. and Def. Credits	3,314,542	3,655,162	3,732,399	3,964,401	4,903,081
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	587,737	587,737	587,737	587,737	587,737
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	21,587,911	21,905,686	21,993,810	21,455,074	20,663,442
36 Total Stockholder's Equity	22,175,648	22,493,423	22,581,547	22,042,811	21,251,179
37 Total Liab. and Stockholder's Equity	\$26,113,061	\$26,980,390	\$26,647,870	\$26,574,351	\$26,245,058

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,007,864	\$1,154,357	\$1,141,687	\$1,125,445	\$1,121,356	1
Network Access Services	2,746,590	2,534,393	2,625,325	3,164,522	2,771,743	2
Long Distance Network Services	2,296	4,216	4,683	5,656	7,090	3
Miscellaneous Revenues	482,414	583,567	538,480	551,848	556,121	4
Less: Uncollectible Revenues	6,000	7,100	4,820	1,000		5
<b>Total Operating Revenues</b>	<b>4,233,164</b>	<b>4,269,433</b>	<b>4,305,355</b>	<b>4,846,471</b>	<b>4,456,310</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	50,611	46,272	40,624	45,760	46,107	7
General Support Expenses	409,150	292,000	271,217	243,795	272,018	8
Central Office Switching	437,743	531,322	358,299	472,278	424,809	9
Operator Systems Expense						10
Central Office Transmission	77,406	88,930	18,210	58,770	47,927	11
Info. Origination/Termination	351		1,053	(478)	1,260	12
Cable & Wire Facilities	483,053	544,425	505,182	506,594	500,207	13
<b>Total Plant Specific Operations</b>	<b>1,458,314</b>	<b>1,502,949</b>	<b>1,194,585</b>	<b>1,326,719</b>	<b>1,292,328</b>	<b>14</b>
Other Plant, Property & Equipment				1,290	14,904	15
Network Operations	570,174	653,123	573,379	647,945	658,754	16
Access Expense	150,126	120,726	117,495	105,503	108,754	17
Depreciation and Amortization	1,231,427	1,207,385	1,146,120	1,143,797	1,244,591	18
<b>Total Plant Non-Specific Operations</b>	<b>1,951,727</b>	<b>1,981,234</b>	<b>1,836,994</b>	<b>1,898,535</b>	<b>2,027,003</b>	<b>19</b>
Marketing Expense	14,713	19,140	21,456	15,951	8,776	20
Services Expense	396,096	381,761	319,679	376,865	406,778	21
<b>Total Customer Operations</b>	<b>410,809</b>	<b>400,901</b>	<b>341,135</b>	<b>392,816</b>	<b>415,554</b>	<b>22</b>
Executive & Planning	303,490	373,766	245,437	408,102	256,005	23
General & Administrative	380,557	462,226	430,930	589,154	463,495	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>684,047</b>	<b>835,992</b>	<b>676,367</b>	<b>997,256</b>	<b>719,500</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,504,897</b>	<b>4,721,076</b>	<b>4,049,081</b>	<b>4,615,326</b>	<b>4,454,385</b>	<b>28</b>
Other Operating Income & Expenses	(2,656)				404	29
State & Local Income Taxes	133,168	119,484	113,358	97,431	143,432	30
Other Taxes	182,222	219,402	185,524	261,271	295,208	31
<b>Net Operating Income Before FIT</b>	<b>(589,779)</b>	<b>(790,529)</b>	<b>(42,608)</b>	<b>(127,557)</b>	<b>(436,311)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(66,720)	(265,196)	(86,952)	(223,883)	(300,655)	34
Provision - Def. Operating Income Taxes - Net	(133,147)	(6,627)	62,814	172,872	51,466	35
<b>Net Operating Income</b>	<b>(\$389,912)</b>	<b>(\$518,706)</b>	<b>(\$18,470)</b>	<b>(\$76,546)</b>	<b>(\$187,122)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$389,912)	(\$518,706)	(\$18,470)	(\$76,546)	(\$187,122)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	73,794	79,896	57,639	50,175	191,894
39 Interest Income	27,796	18,450	14,608	6,993	230
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	(35,019)	149,509	391,755	297,956	32,423
44 Other Non-Operating Income	270,036	129,380	(36,508)	788,775	915,751
45 Special Charges	26,994	11,028	12,893	13,080	17,980
46 Total Non-Operating Income & Expenses	309,613	366,207	414,601	1,130,819	1,122,318
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	99,142	65,584	(5,092)	259,246	322,365
48 Other				24,734	
49 Total Non-Operating Taxes	99,142	65,584	(5,092)	283,980	322,365
50 Income Available Before Interest Charges	(179,441)	(218,083)	401,223	770,293	612,831
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt			1,673	9,346	11,100
52 Other Interest Expense	12,382	16,938	3,011	10,758	17,830
53 Total Interest Charges	12,382	16,938	4,684	20,104	28,930
54 Income Before Extraordinary & Nonreg Items	(191,823)	(235,021)	396,539	750,189	583,901
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$191,823)	(\$235,021)	\$396,539	\$750,189	\$583,901

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$19,835,141	\$20,219,671	\$20,214,887	19,153,261	\$18,601,784
60 Transferred from Income	(156,804)	(384,530)	4,784	452,233	551,477
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments				609,393	
65 Ending Year Balance	19,678,337	19,835,141	20,219,671	20,214,887	19,153,261
66 Appropriated/Undistr Affiliate Retained Earnings	1,909,574	2,070,545	1,774,139	1,240,187	1,510,181
67 <b>Total Retained Earnings</b>	\$21,587,911	\$21,905,686	\$21,993,810	\$21,455,074	\$20,663,442

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$113,359	\$208,080	\$222,223	\$239,986	\$145,793
2 Accounts Receivable (Net)	110,083	116,342	127,020	125,076	162,865
3 Current Deferred Income Taxes					
4 Other Current Assets	29,155	75,399	36,013	46,958	67,066
5 Total Current Assets	252,597	399,821	385,256	412,020	375,724
<b>NON-CURRENT ASSETS</b>					
6 Investments	767,348	633,052	530,440	449,681	488,600
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	767,348	633,052	530,440	449,681	488,600
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	2,658,757	2,604,540	2,544,911	2,509,209	2,498,274
14 Less: Accumulated Depr and Amort.	1,862,846	1,803,817	1,723,490	1,642,407	1,556,090
15 Net Regulated Plant	795,911	800,723	821,421	866,802	942,184
16 <b>Total Assets &amp; Other Debits</b>	<b>\$1,815,856</b>	<b>\$1,833,596</b>	<b>\$1,737,117</b>	<b>\$1,728,503</b>	<b>\$1,806,508</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$112,941	\$93,725	\$43,432	\$43,207	\$53,529
18 Notes Payable					
19 Advanced Billings					
20 Customer Deposits	2,012	1,217	1,224	1,173	2,051
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	4,954	15,145	26,553	30,005	22,745
24 Total Current Liabilities	119,907	110,087	71,209	74,385	78,325
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt			18,569	46,840	57,249
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	52,109	68,338	70,277	64,330	82,362
28 Other Deferred Credits	51,592	48,872	46,638	46,374	45,948
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	103,701	117,210	116,915	110,704	128,310
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	78,518	78,518	78,518	78,518	78,518
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,513,730	1,527,781	1,451,906	1,418,056	1,464,106
36 Total Stockholder's Equity	1,592,248	1,606,299	1,530,424	1,496,574	1,542,624
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$1,815,856</b>	<b>\$1,833,596</b>	<b>\$1,737,117</b>	<b>\$1,728,503</b>	<b>\$1,806,508</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$296,559	\$288,192	\$296,291	\$311,737	\$353,418	1
Network Access Services	469,135	475,662	498,111	510,952	468,244	2
Long Distance Network Services						3
Miscellaneous Revenues	466,500	451,015	423,242	536,888	659,933	4
Less: Uncollectible Revenues	(1,551)	(1,390)	(1,629)			5
<b>Total Operating Revenues</b>	<b>1,233,745</b>	<b>1,216,259</b>	<b>1,219,273</b>	<b>1,359,577</b>	<b>1,481,595</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses			1,272		1,756	7
General Support Expenses	155,616	130,306	174,462	174,978	195,799	8
Central Office Switching	60,276	103,248	125,959	81,307	68,578	9
Operator Systems Expense						10
Central Office Transmission	93,288	43,863	34,322	32,145	32,145	11
Info. Origination/Termination						12
Cable & Wire Facilities	154,223	125,896	143,650	170,332	174,448	13
<b>Total Plant Specific Operations</b>	<b>463,403</b>	<b>403,313</b>	<b>479,665</b>	<b>458,762</b>	<b>472,726</b>	<b>14</b>
Other Plant, Property & Equipment	8,340	2,201	2,067	1,362	10,063	15
Network Operations	163,116	150,783	96,195	113,341	112,448	16
Access Expense			21,664			17
Depreciation and Amortization	76,938	98,637	99,393	123,647	124,197	18
<b>Total Plant Non-Specific Operations</b>	<b>248,394</b>	<b>251,621</b>	<b>219,319</b>	<b>238,350</b>	<b>246,708</b>	<b>19</b>
Marketing Expense						20
Services Expense	33,237	30,862	23,048	25,494	26,900	21
<b>Total Customer Operations</b>	<b>33,237</b>	<b>30,862</b>	<b>23,048</b>	<b>25,494</b>	<b>26,900</b>	<b>22</b>
Executive & Planning	66,622	60,436	45,442	50,712	50,712	23
General & Administrative	361,114	345,585	361,713	591,040	642,214	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>427,736</b>	<b>406,021</b>	<b>407,155</b>	<b>641,752</b>	<b>692,926</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,172,770</b>	<b>1,091,817</b>	<b>1,129,187</b>	<b>1,364,358</b>	<b>1,439,260</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes	49,305	48,005	45,460	52,180	54,730	30
Other Taxes						31
<b>Net Operating Income Before FIT</b>	<b>11,670</b>	<b>76,437</b>	<b>44,626</b>	<b>(56,961)</b>	<b>(12,395)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes						34
Provision - Def. Operating Income Taxes - Net	(10,283)	(1,939)	5,947	(18,032)	13,705	35
<b>Net Operating Income</b>	<b>\$21,953</b>	<b>\$78,376</b>	<b>\$38,679</b>	<b>(\$38,929)</b>	<b>(\$26,100)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$21,953	\$78,376	\$38,679	(\$38,929)	(\$26,100)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	1,377	1,842	2,258	3,478	6,980
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	513			1,905	3,025
46 Total Non-Operating Income & Expenses	864	1,842	2,258	1,573	3,955
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	22,817	80,218	40,937	(37,356)	(22,145)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	3,175	4,342	7,088	8,694	9,853
52 Other Interest Expense					
53 Total Interest Charges	3,175	4,342	7,088	8,694	9,853
54 Income Before Extraordinary & Nonreg Items	19,642	75,876	33,849	(46,050)	(31,998)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$19,642	\$75,876	\$33,849	(\$46,050)	(\$31,998)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,527,781	\$1,451,905	\$1,418,056	\$1,464,106	\$1,496,104
60 Transferred from Income	19,642	75,876	33,849	(46,050)	(31,998)
61 Appropriations					
62 Dividends Declared:					
63 Preferred Stock					
63 Common Stock					
64 Adjustments	(33,693)				
65 Ending Year Balance	1,513,730	1,527,781	1,451,905	1,418,056	1,464,106
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$1,513,730	\$1,527,781	\$1,451,905	\$1,418,056	\$1,464,106

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments					(\$1,355)
2 Accounts Receivable (Net)	780,594	1,225,728	\$1,363,452	\$1,203,391	1,097,639
3 Current Deferred Income Taxes					
4 Other Current Assets	45,026	52,114	65,095	71,079	60,007
5 Total Current Assets	825,620	1,277,842	1,428,547	1,274,470	1,156,292
<b>NON-CURRENT ASSETS</b>					
6 Investments	11,055,678	9,701,945	10,153,481	7,838,601	8,312,925
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	11,580,678	10,226,945	10,678,481	8,363,601	8,837,925
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	24,728,290	24,241,063	24,094,981	23,814,639	23,619,070
14 Less: Accumulated Depr and Amort.	21,759,380	21,253,217	20,575,182	19,782,078	19,015,684
15 Net Regulated Plant	2,968,910	2,987,847	3,519,799	4,032,561	4,603,386
16 <b>Total Assets &amp; Other Debits</b>	<b>\$15,375,209</b>	<b>\$14,492,634</b>	<b>\$15,626,827</b>	<b>\$13,670,632</b>	<b>\$14,597,602</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$531,436	\$496,776	\$2,389,768	\$1,035,402	466,521
18 Notes Payable					
19 Advanced Billings	117,692	119,713	125,438	129,753	126,548
20 Customer Deposits	0	0			105
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	31,457	58,660	33,638	48,233	98,451
24 Total Current Liabilities	680,585	675,150	2,548,844	1,213,388	691,626
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	(72,172)	(389,895)	(664,626)	(481,614)	(298,602)
28 Other Deferred Credits	205,983	199,745	338,092	297,432	291,569
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(163,682)	86,757	421,739	602,733	821,272
31 Total Other Liab. and Def. Credits	(29,872)	(103,392)	95,205	418,551	814,240
<b>STOCKHOLDER'S EQUITY</b>					
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	9,998,865	9,195,246	8,257,147	7,313,063	8,366,106
36 Total Stockholder's Equity	14,724,495	13,920,876	12,982,777	12,038,693	13,091,736
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$15,375,209</b>	<b>\$14,492,634</b>	<b>\$15,626,827</b>	<b>\$13,670,632</b>	<b>\$14,597,602</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,373,546	\$1,458,094	\$1,634,861	\$1,706,942	\$1,719,244	1
Network Access Services	1,596,380	1,672,293	1,963,305	2,059,723	2,014,025	2
Long Distance Network Services	(739)	(491)	442	(1,761)	(1,726)	3
Miscellaneous Revenues	1,233,525	1,238,273	1,278,189	1,352,299	1,423,183	4
Less: Uncollectible Revenues	(63,394)	20,373	83,566	87,385	68,150	5
<b>Total Operating Revenues</b>	<b>4,266,107</b>	<b>4,347,796</b>	<b>4,793,231</b>	<b>5,029,818</b>	<b>5,086,576</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	77,404	78,106	(284)	39	6,336	7
General Support Expenses	215,390	222,928	234,513	307,621	268,961	8
Central Office Switching	142,288	119,000	158,569	158,837	198,828	9
Operator Systems Expense	191	297	411	3,251	3,738	10
Central Office Transmission	15,173	16,063	37,501	42,826	49,776	11
Info. Origination/Termination	76,108	79,259	81,833	105,782	62,688	12
Cable & Wire Facilities	184,126	260,531	395,256	409,351	439,139	13
<b>Total Plant Specific Operations</b>	<b>710,680</b>	<b>776,184</b>	<b>907,798</b>	<b>1,027,707</b>	<b>1,029,465</b>	<b>14</b>
Other Plant, Property & Equipment	(12)	1,479	(390)	12	876	15
Network Operations	301,172	216,755	289,862	268,218	272,959	16
Access Expense	106,841	119,617	340,711	350,294	320,753	17
Depreciation and Amortization	617,407	824,083	888,346	914,376	968,428	18
<b>Total Plant Non-Specific Operations</b>	<b>1,025,408</b>	<b>1,161,934</b>	<b>1,518,529</b>	<b>1,532,900</b>	<b>1,563,017</b>	<b>19</b>
Marketing Expense	182,964	138,414	158,865	154,710	156,998	20
Services Expense	357,709	323,008	283,337	342,523	276,892	21
<b>Total Customer Operations</b>	<b>540,672</b>	<b>461,422</b>	<b>442,203</b>	<b>497,233</b>	<b>433,890</b>	<b>22</b>
Executive & Planning	69,286	40,445	42,093	60,178	100,023	23
General & Administrative	359,024	261,862	211,397	373,933	458,036	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>428,310</b>	<b>302,308</b>	<b>253,490</b>	<b>434,111</b>	<b>558,059</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,705,071</b>	<b>2,701,848</b>	<b>3,122,020</b>	<b>3,491,951</b>	<b>3,584,431</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	196,557	204,299	207,536	117,468	196,948	31
<b>Net Operating Income Before FIT</b>	<b>1,364,479</b>	<b>1,441,650</b>	<b>1,463,675</b>	<b>1,420,399</b>	<b>1,305,197</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(93,301)	(34,309)	(35,497)	29,957	(12,072)	34
Provision - Def. Operating Income Taxes - Net	317,723	274,732	344,421	268,135	236,404	35
<b>Net Operating Income</b>	<b>\$1,140,057</b>	<b>\$1,201,227</b>	<b>\$1,154,751</b>	<b>\$1,122,307</b>	<b>\$1,080,865</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$1,140,057	\$1,201,227	\$1,154,751	\$1,122,307	\$1,080,865
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction			(1)	5,813	1,336
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	831	772	705		
45 Special Charges	151	58	460	(648)	1,436
46 Total Non-Operating Income & Expenses	680	714	245	6,461	(100)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	327,870	256,756	201,849	173,340	203,690
48 Other					
49 Total Non-Operating Taxes	327,870	256,756	201,849	173,340	203,690
50 Income Available Before Interest Charges	812,867	945,185	953,147	955,428	877,075
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	9,248	7,086	9,063	8,494	11,291
53 Total Interest Charges	9,248	7,086	9,063	8,494	11,291
54 Income Before Extraordinary & Nonreg Items	803,619	938,099	944,084	946,934	865,784
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	<b>\$803,619</b>	<b>\$938,099</b>	<b>\$944,084</b>	<b>\$946,934</b>	<b>\$865,784</b>
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,195,247	\$8,257,148	\$7,313,063	\$8,366,106	\$9,500,320
60 Transferred from Income	803,618	938,099	944,084	946,957	865,786
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				2,000,000	2,000,000
64 Adjustments					
65 Ending Year Balance	9,998,865	9,195,247	8,257,148	7,313,063	8,366,106
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	<b>\$9,998,865</b>	<b>\$9,195,247</b>	<b>\$8,257,148</b>	<b>\$7,313,063</b>	<b>\$8,366,106</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	(\$373)	(\$1,018)	\$3,348	(\$657)	(\$13,197)
2 Accounts Receivable (Net)	9,568,885	17,539,539	10,771,637	15,633,055	9,372,332
3 Current Deferred Income Taxes					
4 Other Current Assets	633,868	664,444	631,986	645,072	594,823
5 Total Current Assets	10,202,380	18,202,964	11,406,972	16,277,470	9,953,957
<b>NON-CURRENT ASSETS</b>					
6 Investments	120,245,312	89,820,559	100,767,818	66,092,807	125,595,433
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	2,717,664	2,717,664	2,717,664	2,717,664	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	129,152,976	98,728,223	109,675,482	75,000,471	134,503,097
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	195,987,734	192,878,446	191,786,136	190,242,799	189,200,097
14 Less: Accumulated Depr and Amort.	166,182,804	162,073,583	158,357,410	154,551,770	149,736,658
15 Net Regulated Plant	29,804,930	30,804,863	33,428,726	35,691,029	39,463,439
16 Total Assets & Other Debits	\$169,160,285	\$147,736,049	\$154,511,179	\$126,968,971	\$183,920,494
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$5,500,358	\$3,504,204	\$32,370,940	\$17,022,883	\$4,481,370
18 Notes Payable					
19 Advanced Billings	618,329	651,012	687,314	742,377	905,617
20 Customer Deposits	(149)	(294)	(105)	(374)	(318)
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	570,070	823,401	287,262	(580,940)	(16,203)
24 Total Current Liabilities	6,688,608	4,978,322	33,345,410	17,183,947	5,370,466
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	23,915,810	14,274,370	4,882,803	4,680,015	4,477,227
28 Other Deferred Credits	4,976,666	4,760,902	4,580,035	4,425,510	4,284,610
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	16,990,402	16,577,137	16,450,218	16,372,687	16,748,846
31 Total Other Liab. and Def. Credits	45,882,878	35,612,409	25,913,056	25,478,212	25,510,682
<b>STOCKHOLDER'S EQUITY</b>					
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	51,072,342	41,628,861	29,736,257	18,790,360	87,522,889
36 Total Stockholder's Equity	116,588,799	107,145,318	95,252,713	84,306,817	153,039,346
37 Total Liab. and Stockholder's Equity	\$169,160,285	\$147,736,049	\$154,511,179	\$126,968,976	\$183,920,494

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>TELEPHONE OPERATING REVENUES</b>					
Local Network Services	\$9,679,897	\$10,478,229	\$11,868,584	\$13,152,631	\$14,439,306
Network Access Services	17,718,232	19,357,675	19,968,814	21,095,763	20,685,364
Long Distance Network Services	(25,901)	(19,616)	(17,544)	(12,270)	(21,570)
Miscellaneous Revenues	11,771,006	12,369,645	12,842,235	14,047,211	16,190,170
Less: Uncollectible Revenues	183,696	143,569	146,905	346,367	279,995
<b>Total Operating Revenues</b>	<b>38,959,538</b>	<b>42,042,366</b>	<b>44,515,184</b>	<b>47,936,969</b>	<b>51,013,275</b>
<b>TELEPHONE OPERATING EXPENSES</b>					
Network Support Expenses	418,424	440,227	11,896	375	51,862
General Support Expenses	1,059,123	1,036,160	1,528,160	2,168,536	1,925,032
Central Office Switching	467,844	520,246	482,947	501,923	524,725
Operator Systems Expense	1,248	1,924	3,205	23,234	27,868
Central Office Transmission	518,992	507,697	784,643	675,801	471,979
Info. Origination/Termination	694,032	965,191	1,438,483	2,282,657	1,710,673
Cable & Wire Facilities	1,207,258	1,353,650	1,767,841	2,402,142	1,461,401
<b>Total Plant Specific Operations</b>	<b>4,366,921</b>	<b>4,825,094</b>	<b>6,017,175</b>	<b>8,054,668</b>	<b>6,173,541</b>
Other Plant, Property & Equipment	(54)	1,469	10,809	(117)	20
Network Operations	1,728,890	1,201,127	2,371,830	2,090,982	2,129,347
Access Expense	1,818,058	1,772,718	2,313,047	2,205,981	2,054,120
Depreciation and Amortization	4,941,558	5,185,474	5,085,294	5,860,484	7,167,252
<b>Total Plant Non-Specific Operations</b>	<b>8,488,453</b>	<b>8,160,786</b>	<b>9,780,981</b>	<b>10,157,330</b>	<b>11,350,739</b>
Marketing Expense	1,113,532	852,662	1,387,366	1,302,107	1,322,470
Services Expense	3,125,510	3,274,449	4,150,202	4,050,420	3,700,196
<b>Total Customer Operations</b>	<b>4,239,042</b>	<b>4,127,112</b>	<b>5,537,567</b>	<b>5,352,528</b>	<b>5,022,666</b>
Executive & Planning	408,936	257,088	356,343	534,517	871,880
General & Administrative	2,402,825	1,830,156	1,883,693	3,184,805	3,856,858
Provision - Uncollectible Notes Rec. Other					
<b>Total Corporate Operations</b>	<b>2,811,761</b>	<b>2,087,243</b>	<b>2,240,036</b>	<b>3,719,321</b>	<b>4,728,738</b>
<b>Total Operations Expense</b>	<b>19,906,176</b>	<b>19,200,236</b>	<b>23,575,759</b>	<b>27,283,846</b>	<b>27,275,684</b>
Other Operating Income & Expenses					
State & Local Income Taxes					
Other Taxes	2,632,207	2,915,101	2,768,920	2,358,571	2,288,810
<b>Net Operating Income Before FIT</b>	<b>16,421,154</b>	<b>19,927,029</b>	<b>18,170,505</b>	<b>18,294,552</b>	<b>21,448,781</b>
Investment Tax Credits - Net					
Federal Income Taxes	(5,169,227)	(3,785,387)	(4,752,378)	(3,504,737)	(3,457,593)
Provision - Def. Operating Income Taxes - Net	9,641,440	9,391,568	9,978,571	8,767,234	9,269,606
<b>Net Operating Income</b>	<b>\$11,948,942</b>	<b>\$14,320,848</b>	<b>\$12,944,312</b>	<b>\$13,032,055</b>	<b>\$15,636,768</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$11,948,942	\$14,320,848	\$12,944,312	\$13,032,055	\$15,636,768
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	2,236		(3)	20,531	11,625
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	245,322	223,583	206,597	183,285	162,414
45 Special Charges	449,461	407,077	369,930	334,248	334,011
46 Total Non-Operating Income & Expenses	(201,903)	(183,493)	(163,337)	(130,432)	(159,972)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	801,346	882,440	601,971	520,357	1,096,165
48 Other					
49 Total Non-Operating Taxes	801,346	882,440	601,971	520,357	1,096,165
50 Income Available Before Interest Charges	10,945,693	13,254,915	12,179,004	12,381,266	14,380,631
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	1,502,211	1,362,310	1,233,108	1,113,793	1,003,600
53 Total Interest Charges	1,502,211	1,362,310	1,233,108	1,113,793	1,003,600
54 Income Before Extraordinary & Nonreg Items	9,443,481	11,892,604	10,945,896	11,267,473	13,377,031
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$9,443,481	\$11,892,604	\$10,945,896	\$11,267,473	\$13,377,031
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$41,628,861	\$29,736,256	\$18,790,360	\$87,522,889	\$74,145,858
60 Transferred from Income	9,443,481	11,892,604	10,945,896	11,267,473	13,377,031
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				40,000,000	
64 Adjustments				(40,000,002)	
65 Ending Year Balance	51,072,342	41,628,861	29,736,256	18,790,360	87,522,889
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$51,072,342	\$41,628,861	\$29,736,256	\$18,790,360	\$87,522,889

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$1,858,363	\$1,369,903	\$1,508,605	\$383,059	\$1,764,009
2 Accounts Receivable (Net)	30,740,794	85,782,090	79,573,509	67,808,904	60,394,934
3 Current Deferred Income Taxes					
4 Other Current Assets	5,764,726	7,551,508	7,765,741	6,983,357	6,745,070
5 Total Current Assets	38,363,883	94,703,502	88,847,854	75,175,320	68,904,013
<b>NON-CURRENT ASSETS</b>					
6 Investments	451,201,172	354,771,283	509,861,999	308,127,834	319,186,085
7 Unamortized Debt Issuance Costs					
8 Deferred Charges			15,311	15,311	16,135
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets	183,584,000	183,735,250	183,900,250	184,065,250	184,230,250
12 Total Non-Current Assets	634,785,172	538,506,533	693,777,560	492,208,395	503,432,470
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	1,544,784,573	1,530,140,605	1,522,264,544	1,510,242,331	1,495,378,697
14 Less: Accumulated Depr and Amort.	1,314,012,378	1,275,213,928	1,232,107,015	1,184,241,424	1,124,224,180
15 Net Regulated Plant	230,772,195	254,926,677	290,157,529	326,000,907	371,154,517
16 <b>Total Assets &amp; Other Debits</b>	<b>\$903,921,251</b>	<b>\$888,136,711</b>	<b>\$1,072,782,943</b>	<b>\$893,384,622</b>	<b>\$943,491,000</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$39,961,427	\$54,817,155	\$252,370,362	\$86,352,136	\$42,972,696
18 Notes Payable					
19 Advanced Billings	3,177,654	3,307,860	3,379,831	3,432,778	3,632,275
20 Customer Deposits	154	83	59,097	2,410	470
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	2,578,731	1,771,400	(641,873)	2,418,074	3,995,711
24 Total Current Liabilities	45,717,965	59,896,499	255,167,418	92,205,398	50,601,153
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	111,464,693	88,919,848	68,248,975	66,974,467	65,699,959
28 Other Deferred Credits	(31,979,365)	(29,056,298)	(26,636,202)	(24,317,882)	(21,906,258)
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	179,347,045	166,296,160	154,406,233	143,629,205	133,885,556
31 Total Other Liab. and Def. Credits	258,832,373	226,159,710	196,019,006	186,285,791	177,679,258
<b>STOCKHOLDER'S EQUITY</b>					
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	148,134,302	150,843,892	170,359,909	163,656,825	263,973,979
36 Total Stockholder's Equity	599,370,912	602,080,502	621,596,519	614,893,435	715,210,589
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$903,921,251</b>	<b>\$888,136,711</b>	<b>\$1,072,782,943</b>	<b>\$893,384,624</b>	<b>\$943,491,000</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$64,927,326	\$72,070,358	\$82,620,312	\$90,534,985	\$103,014,656	1
Network Access Services	74,995,219	80,678,733	94,980,495	97,597,486	97,861,876	2
Long Distance Network Services	194,858	213,498	242,153	312,902	389,165	3
Miscellaneous Revenues	60,508,971	60,288,754	61,319,369	60,564,701	66,237,004	4
Less: Uncollectible Revenues	1,700,821	1,456,243	1,957,788	2,669,899	3,710,937	5
<b>Total Operating Revenues</b>	<b>198,925,554</b>	<b>211,795,100</b>	<b>237,204,541</b>	<b>246,340,175</b>	<b>263,791,764</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	3,676,776	3,391,292	519,375	653,729	889,101	7
General Support Expenses	12,868,077	9,351,000	10,977,471	14,317,387	12,675,071	8
Central Office Switching	5,340,237	6,215,230	6,224,739	6,651,373	5,690,219	9
Operator Systems Expense	20,787	24,915	54,908	183,889	180,758	10
Central Office Transmission	3,167,457	3,334,151	3,262,063	3,585,205	4,748,476	11
Info. Origination/Termination	6,277,811	6,644,228	5,026,680	5,842,199	4,382,540	12
Cable & Wire Facilities	18,204,406	21,049,887	22,912,664	23,218,008	24,646,746	13
<b>Total Plant Specific Operations</b>	<b>49,555,550</b>	<b>50,010,704</b>	<b>48,977,899</b>	<b>54,451,790</b>	<b>53,212,911</b>	<b>14</b>
Other Plant, Property & Equipment	(802)	25,977	204,144	(944)	(918)	15
Network Operations	18,264,810	15,707,234	17,369,991	16,573,258	15,277,841	16
Access Expense	3,695,943	4,448,792	6,222,924	5,403,621	5,351,137	17
Depreciation and Amortization	47,026,406	52,906,458	59,629,909	68,827,514	69,199,706	18
<b>Total Plant Non-Specific Operations</b>	<b>68,986,357</b>	<b>73,088,461</b>	<b>83,426,968</b>	<b>90,803,449</b>	<b>89,827,766</b>	<b>19</b>
Marketing Expense	9,095,086	7,836,310	11,001,223	11,522,853	10,452,812	20
Services Expense	25,193,043	25,756,176	27,172,238	30,775,124	30,164,026	21
<b>Total Customer Operations</b>	<b>34,288,129</b>	<b>33,592,486</b>	<b>38,173,461</b>	<b>42,297,977</b>	<b>40,616,838</b>	<b>22</b>
Executive & Planning	2,686,161	1,642,830	1,842,181	2,898,392	4,513,193	23
General & Administrative	17,687,701	16,224,462	28,040,636	34,112,679	36,299,311	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>20,373,862</b>	<b>17,867,293</b>	<b>29,882,818</b>	<b>37,011,071</b>	<b>40,812,504</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>173,203,898</b>	<b>174,558,943</b>	<b>200,461,145</b>	<b>224,564,287</b>	<b>224,470,019</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	19,774,320	20,580,862	18,690,539	16,490,634	20,275,136	31
<b>Net Operating Income Before FIT</b>	<b>5,947,335</b>	<b>16,655,295</b>	<b>18,052,857</b>	<b>5,285,254</b>	<b>19,046,609</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(29,086,192)	(22,904,949)	(9,209,058)	(15,754,871)	(21,583,707)	34
Provision - Def. Operating Income Taxes - Net	22,544,846	20,670,872	8,048,694	11,304,142	21,571,000	35
<b>Net Operating Income</b>	<b>\$12,488,682</b>	<b>\$18,889,372</b>	<b>\$19,213,221</b>	<b>\$9,735,983</b>	<b>\$19,059,316</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$12,488,682	\$18,889,372	\$19,213,221	\$9,735,983	\$19,059,316
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	14,070	25,543	89,131	315,569	198,987
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	3,004,551	2,727,138	2,513,064	2,266,004	1,958,618
45 Special Charges	14,818	7,916	49,018	21,765	49,430
46 Total Non-Operating Income & Expenses	3,003,803	2,744,766	2,553,177	2,559,808	2,108,175
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	4,963,317	4,054,103	4,080,161	2,642,560	3,147,442
48 Other					
49 Total Non-Operating Taxes	4,963,317	4,054,103	4,080,161	2,642,560	3,147,442
50 Income Available Before Interest Charges	10,529,168	17,580,032	17,686,237	9,653,231	18,020,049
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	13,238,758	12,096,052	10,983,152	9,970,383	9,054,562
53 Total Interest Charges	13,238,758	12,096,052	10,983,152	9,970,383	9,054,562
54 Income Before Extraordinary & Nonreg Items	(2,709,590)	5,483,980	6,703,084	(317,152)	8,965,487
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	24,636,897	23,038,371	21,368,183	17,958,092	18,984,052
57 Total Extraordinary & Nonregulated Items	24,636,897	23,038,371	21,368,183	17,958,092	18,984,052
58 <b>Net Income</b>	\$21,927,307	\$28,522,351	\$28,071,268	\$17,640,940	\$27,949,539

**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$150,843,892	\$170,359,912	\$163,656,827	\$263,973,979	\$255,008,493
60 Transferred from Income	(2,709,590)	5,483,980	6,703,084	(317,152)	8,965,486
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock		25,000,000		100,000,000	
64 Adjustments					
65 Ending Year Balance	148,134,302	150,843,892	170,359,912	163,656,827	263,973,979
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$148,134,302	\$150,843,892	\$170,359,912	\$163,656,827	\$263,973,979

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments					(\$945)
2 Accounts Receivable (Net)	325,203	1,358,289	\$1,362,469	\$1,308,944	1,259,924
3 Current Deferred Income Taxes					
4 Other Current Assets	45,077	51,403	52,261	50,328	50,851
5 Total Current Assets	370,281	1,409,692	1,414,730	1,359,272	1,309,830
<b>NON-CURRENT ASSETS</b>					
6 Investments	6,561,123	4,077,541	5,017,068	2,344,724	5,122,393
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	6,895,288	4,411,706	5,351,233	2,678,889	5,456,558
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	27,275,206	27,138,616	26,906,619	26,567,470	26,062,437
14 Less: Accumulated Depr and Amort.	24,335,841	23,635,897	23,000,402	22,257,499	21,573,258
15 Net Regulated Plant	2,939,365	3,502,720	3,906,218	4,309,971	4,489,179
16 Total Assets & Other Debits	\$10,204,933	\$9,324,117	\$10,672,181	\$8,348,132	\$11,255,567
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	621,559	547,616	2,969,355	1,103,775	757,011
18 Notes Payable					
19 Advanced Billings	196,948	208,620	217,511	226,756	231,167
20 Customer Deposits	141	166	132	(3)	35
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	49,771	71,158	45,503	67,857	92,047
24 Total Current Liabilities	868,421	827,561	3,232,500	1,398,385	1,080,261
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,357,488	1,827,324	1,323,475	1,295,623	1,267,771
28 Other Deferred Credits	(43,728)	(34,513)	(23,998)	(12,954)	(3,217)
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	725,324	778,615	837,659	919,135	1,004,199
31 Total Other Liab. and Def. Credits	3,039,084	2,571,427	2,137,136	2,201,804	2,268,753
<b>STOCKHOLDER'S EQUITY</b>					
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	560,864	188,566	(434,020)	(988,624)	2,169,989
36 Total Stockholder's Equity	6,297,428	5,925,130	5,302,544	4,747,940	7,906,553
37 Total Liab. and Stockholder's Equity	\$10,204,933	\$9,324,117	\$10,672,181	\$8,348,129	\$11,255,567

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,347,887	\$1,428,301	\$1,538,522	\$1,660,533	\$1,745,691	1
Network Access Services	1,346,851	1,474,076	1,635,907	1,675,847	1,702,701	2
Long Distance Network Services	4,906	8,139	12,612	8,247	20,248	3
Miscellaneous Revenues	1,676,896	1,665,511	1,630,278	1,692,624	1,805,854	4
Less: Uncollectible Revenues	51,263	49,144	52,987	84,057	68,453	5
Total Operating Revenues	4,325,276	4,526,884	4,764,330	4,953,194	5,206,041	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	72,373	80,838	(7,623)	48	7,743	7
General Support Expenses	234,481	204,513	284,609	314,295	288,531	8
Central Office Switching	182,473	163,636	166,995	122,379	121,019	9
Operator Systems Expense	224	336	657	3,966	4,665	10
Central Office Transmission	91,868	91,195	140,287	152,053	93,892	11
Info. Origination/Termination	107,404	156,185	130,429	161,966	112,576	12
Cable & Wire Facilities	288,158	292,930	394,758	368,262	350,616	13
Total Plant Specific Operations	976,982	989,634	1,110,112	1,122,969	979,042	14
Other Plant, Property & Equipment	(570)	551	(583)	(14)	2	15
Network Operations	326,876	295,723	495,857	353,359	368,518	16
Access Expense	144,018	139,439	165,458	159,934	145,400	17
Depreciation and Amortization	790,643	820,677	813,537	742,285	771,103	18
Total Plant Non-Specific Operations	1,260,967	1,256,390	1,474,269	1,255,564	1,285,024	19
Marketing Expense	280,543	191,759	228,292	188,503	198,355	20
Services Expense	498,295	439,044	475,675	417,652	343,488	21
Total Customer Operations	778,838	630,803	703,967	606,155	541,843	22
Executive & Planning	85,337	45,611	60,798	70,479	121,276	23
General & Administrative	377,326	365,292	319,330	445,056	529,672	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	462,663	410,903	380,128	515,535	650,948	27
Total Operations Expense	3,479,449	3,287,730	3,668,476	3,500,223	3,456,857	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	204,316	212,286	218,569	173,363	247,313	31
<b>Net Operating Income Before FIT</b>	641,510	1,026,868	877,286	1,279,608	1,501,871	32
Investment Tax Credits - Net						33
Federal Income Taxes	20,425	(518,239)	(781,947)	(672,211)	(604,798)	34
Provision - Def. Operating Income Taxes - Net	573,255	503,849	708,363	759,041	732,830	35
<b>Net Operating Income</b>	\$47,831	\$1,041,258	\$950,870	\$1,192,778	\$1,373,839	36

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$47,831	\$1,041,258	\$950,870	\$1,192,778	\$1,373,839
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					3
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction			(0)	4,713	1,637
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	15,162	14,064	12,897		
45 Special Charges	186	65	272	11,682	7,807
46 Total Non-Operating Income & Expenses	14,976	13,999	12,625	16,395	(6,167)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(369,327)	378,408	359,774	323,425	354,264
48 Other					
49 Total Non-Operating Taxes	(369,327)	378,408	359,774	323,425	354,264
50 Income Available Before Interest Charges	432,133	676,849	603,720	885,748	1,013,408
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	59,835	54,263	49,116	44,364	39,977
53 Total Interest Charges	59,835	54,263	49,116	44,364	39,977
54 Income Before Extraordinary & Nonreg Items	372,298	622,586	554,604	841,384	973,431
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	<b>\$372,298</b>	<b>\$622,586</b>	<b>\$554,604</b>	<b>\$841,384</b>	<b>\$973,431</b>
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$188,566	(\$434,020)	(\$988,627)	\$2,169,989	\$5,196,558
60 Transferred from Income	372,298	622,586	554,604	841,384	973,431
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				4,000,000	4,000,000
64 Adjustments					
65 Ending Year Balance	560,864	188,566	(434,023)	(988,627)	2,169,989
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	<b>\$560,864</b>	<b>\$188,566</b>	<b>(\$434,023)</b>	<b>(\$988,626)</b>	<b>\$2,169,989</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments					(\$1,834)
2 Accounts Receivable (Net)	1,153,965	2,709,711	\$1,516,739	\$1,405,663	1,245,919
3 Current Deferred Income Taxes					
4 Other Current Assets	169,831	172,907	148,842	156,969	143,388
5 Total Current Assets	1,323,797	2,882,618	1,665,581	1,562,632	1,387,473
<b>NON-CURRENT ASSETS</b>					
6 Investments	10,955,318	6,960,773	8,593,095	5,357,876	15,375,945
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	10,912,253	6,917,708	8,550,030	5,314,811	15,332,880
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	53,280,929	53,011,559	52,912,738	52,792,752	52,401,697
14 Less: Accumulated Depr and Amort.	45,748,301	44,881,905	43,910,811	42,985,210	41,593,758
15 Net Regulated Plant	7,532,628	8,129,654	9,001,927	9,807,542	10,807,939
16 <b>Total Assets &amp; Other Debits</b>	<b>\$19,768,678</b>	<b>\$17,929,980</b>	<b>\$19,217,538</b>	<b>\$16,684,985</b>	<b>\$27,528,292</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	628,884	613,604	3,900,243	1,662,180	891,597
18 Notes Payable					
19 Advanced Billings	113,786	124,061	136,200	143,134	174,623
20 Customer Deposits			(141)	(31)	71
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	55,465	59,180	31,114	63,728	196,641
24 Total Current Liabilities	798,135	796,844	4,067,416	1,869,012	1,262,931
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	6,781,253	4,778,695	2,831,824	2,637,741	2,466,051
28 Other Deferred Credits	70,781	104,950	113,216	120,700	120,841
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	209,822	219,400	243,205	295,176	390,541
31 Total Other Liab. and Def. Credits	7,061,855	5,103,046	3,188,245	3,053,618	2,977,433
<b>STOCKHOLDER'S EQUITY</b>					
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	(745,680)	(624,277)	(692,490)	(892,015)	10,633,560
36 Total Stockholder's Equity	11,908,688	12,030,090	11,961,877	11,762,353	23,287,928
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$19,768,678</b>	<b>\$17,929,980</b>	<b>\$19,217,538</b>	<b>\$16,684,985</b>	<b>\$27,528,292</b>

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

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<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,643,706	\$1,790,070	\$2,027,864	\$2,219,038	\$2,435,216	1
Network Access Services	2,135,661	2,127,978	2,422,645	2,877,278	2,649,631	2
Long Distance Network Services	(947)	(2,091)	(3,818)	(2,886)	(3,795)	3
Miscellaneous Revenues	1,560,942	1,700,764	1,897,480	2,105,052	2,390,587	4
Less: Uncollectible Revenues	114,623	134,347	79,973	98,549	85,108	5
<b>Total Operating Revenues</b>	<b>5,224,739</b>	<b>5,482,373</b>	<b>4,944,550</b>	<b>7,099,933</b>	<b>7,386,531</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	52,430	59,294	(426)	63	10,323	7
General Support Expenses	246,930	237,939	276,442	414,946	388,493	8
Central Office Switching	1,049,560	1,040,194	1,073,738	1,036,736	1,068,022	9
Operator Systems Expense	228	383	616	5,144	6,383	10
Central Office Transmission	60,038	69,971	127,997	129,390	143,545	11
Info. Origination/Termination	212,257	247,505	288,445	324,453	312,277	12
Cable & Wire Facilities	218,124	252,353	319,696	370,580	409,828	13
<b>Total Plant Specific Operations</b>	<b>1,839,567</b>	<b>1,907,639</b>	<b>2,086,509</b>	<b>2,281,312</b>	<b>2,338,872</b>	<b>14</b>
Other Plant, Property & Equipment	5,163	3,397	(584)	(21)	3	15
Network Operations	358,010	333,146	358,164	335,144	454,217	16
Access Expense	159,588	160,428	195,072	204,725	214,620	17
Depreciation and Amortization	1,054,808	1,231,816	1,535,280	1,589,673	1,806,573	18
<b>Total Plant Non-Specific Operations</b>	<b>1,577,570</b>	<b>1,728,787</b>	<b>2,087,932</b>	<b>2,129,521</b>	<b>2,475,412</b>	<b>19</b>
Marketing Expense	202,797	173,513	225,693	249,466	274,189	20
Services Expense	564,190	504,127	558,060	667,838	611,595	21
<b>Total Customer Operations</b>	<b>766,986</b>	<b>677,639</b>	<b>783,753</b>	<b>917,304</b>	<b>885,784</b>	<b>22</b>
Executive & Planning	83,893	51,951	61,771	98,536	172,562	23
General & Administrative	494,835	404,623	363,401	635,067	763,726	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>578,728</b>	<b>456,574</b>	<b>425,172</b>	<b>733,603</b>	<b>936,288</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,762,850</b>	<b>4,770,639</b>	<b>4,997,929</b>	<b>6,061,740</b>	<b>6,636,356</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	581,558	553,629	558,940	358,582	596,289	31
<b>Net Operating Income Before FIT</b>	<b>(119,669)</b>	<b>158,105</b>	<b>(612,320)</b>	<b>679,611</b>	<b>153,886</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(2,312,221)	(2,227,053)	(2,039,895)	(3,236,335)	(2,382,196)	34
Provision - Def. Operating Income Taxes - Net	2,002,558	1,946,870	1,825,583	3,148,095	2,017,286	35
<b>Net Operating Income</b>	<b>\$189,994</b>	<b>\$438,288</b>	<b>(\$398,008)</b>	<b>\$767,851</b>	<b>\$518,796</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$189,994	\$438,288	(\$398,008)	\$767,851	\$518,796
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction				6,071	2,301
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income	9,216	8,266	7,485	6,828	
45 Special Charges	183	75	263	(3)	(866)
46 Total Non-Operating Income & Expenses	9,032	8,191	7,222	12,896	3,167
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	287,755	348,617	317,066	282,093	370,410
48 Other					
49 Total Non-Operating Taxes	287,755	348,617	317,066	282,093	370,410
50 Income Available Before Interest Charges	(88,728)	97,861	(707,852)	498,654	151,553
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	32,675	29,648	26,836	24,231	21,841
53 Total Interest Charges	32,675	29,648	26,836	24,231	21,841
54 Income Before Extraordinary & Nonreg Items	(121,403)	68,213	(734,689)	474,423	129,712
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	765,085	958,626	934,213	931,727	1,196,488
57 Total Extraordinary & Nonregulated Items	765,085	958,626	934,213	931,727	1,196,488
58 <b>Net Income</b>	<b>\$643,682</b>	<b>\$1,026,839</b>	<b>\$199,524</b>	<b>\$1,406,150</b>	<b>\$1,326,200</b>
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$624,277)	(\$692,490)	\$10,471,197	\$10,633,560	\$10,505,580
60 Transferred from Income	(121,404)	68,213	199,524	474,423	127,981
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments			(11,363,212)	(636,786)	
65 Ending Year Balance	(745,680)	(624,277)	(692,491)	10,471,197	10,633,560
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	<b>(\$745,680)</b>	<b>(\$624,277)</b>	<b>(\$692,491)</b>	<b>\$10,471,197</b>	<b>\$10,633,560</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$54,365	\$125,227	\$264,766	\$396,269	\$512,507
2 Accounts Receivable (Net)	218,381	1,441,611	594,953	413,398	275,418
3 Current Deferred Income Taxes	167	1,166	2,165	3,164	4,162
4 Other Current Assets	145,144	165,541	214,617	198,932	177,190
5 Total Current Assets	418,057	1,733,546	1,076,502	1,011,764	969,277
<b>NON-CURRENT ASSETS</b>					
6 Investments	3,936,307	4,107,493	4,314,376	4,342,488	4,420,858
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,486,482	1,384,270	1,257,107	766,000	557,604
11 Other Non-Current Assets	2,228,556	2,148,351	2,064,676	2,002,912	1,904,925
12 Total Non-Current Assets	7,651,345	7,640,114	7,636,159	7,111,400	6,883,387
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	9,361,702	9,355,278	9,256,923	9,110,923	9,241,224
14 Less: Accumulated Depr and Amort.	6,630,327	6,480,610	6,200,666	5,871,426	5,948,867
15 Net Regulated Plant	2,731,375	2,874,668	3,056,257	3,239,497	3,292,357
16 Total Assets & Other Debits	\$10,800,777	\$12,248,327	\$11,768,918	\$11,362,660	\$11,145,022
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$2,546,427	\$2,979,766	\$1,950,783	\$1,412,450	\$1,091,940
18 Notes Payable					
19 Advanced Billings	11,833	10,963	18,227	20,704	23,080
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	28,824	30,750	18,377	(246,700)	(188,425)
24 Total Current Liabilities	2,587,085	3,021,479	1,987,387	1,186,453	926,595
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	538,238	569,278	613,144	623,474	481,901
28 Other Deferred Credits	489	3,428	6,367	9,306	12,240
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,450,243	1,670,492	1,701,721	1,643,223	1,283,562
31 Total Other Liab. and Def. Credits	1,988,970	2,243,198	2,321,233	2,276,003	1,777,703
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital	(569,376)	(205,870)	(241,815)	(222,587)	4,662
35 Retained Earnings	6,714,098	7,109,520	7,622,113	8,042,791	8,356,062
36 Total Stockholder's Equity	6,224,722	6,983,651	7,460,298	7,900,204	8,440,724
37 Total Liab. and Stockholder's Equity	\$10,800,777	\$12,248,327	\$11,768,918	\$11,362,660	\$11,145,022

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$691,897	\$662,436	\$649,860	\$640,643	\$611,371	1
Network Access Services	1,423,176	1,360,029	1,470,168	1,555,873	1,478,905	2
Long Distance Network Services						3
Miscellaneous Revenues	222,879	265,270	254,588	278,481	306,960	4
Less: Uncollectible Revenues	517	560	1,233	5,037	1,072	5
Total Operating Revenues	2,337,436	2,287,175	2,373,383	2,469,960	2,396,164	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	7,534	8,205	4,775	6,443	7,282	7
General Support Expenses	272,095	272,451	270,685	278,861	289,976	8
Central Office Switching	124,604	152,416	295,701	371,568	281,198	9
Operator Systems Expense						10
Central Office Transmission	211,285	186,713	102,814	70,860	64,337	11
Info. Origination/Termination	23,083	26,526	30,446	36,613	23,629	12
Cable & Wire Facilities	131,623	133,506	139,962	108,466	100,066	13
Total Plant Specific Operations	770,224	779,818	844,383	872,811	766,487	14
Other Plant, Property & Equipment	50	335				15
Network Operations	268,395	268,710	280,476	287,736	299,198	16
Access Expense	83,784	73,002	69,747	66,540	66,898	17
Depreciation and Amortization	372,570	324,725	353,212	292,802	231,857	18
Total Plant Non-Specific Operations	724,799	666,771	703,435	647,078	597,953	19
Marketing Expense	46,729	54,437	93,969	85,671	103,513	20
Services Expense	234,038	194,420	167,603	177,346	190,628	21
Total Customer Operations	280,768	248,858	261,572	263,017	294,140	22
Executive & Planning	266,067	310,909	274,332	271,180	276,079	23
General & Administrative	629,068	732,774	700,647	730,448	702,327	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	895,134	1,043,683	974,979	1,001,628	978,406	27
Total Operations Expense	2,670,925	2,739,130	2,784,369	2,784,534	2,636,986	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	100,964	109,186	104,527	116,049	118,004	31
<b>Net Operating Income Before FIT</b>	(434,453)	(561,142)	(515,513)	(430,623)	(358,827)	32
Investment Tax Credits - Net						33
Federal Income Taxes	5,563			(269,817)	(239,402)	34
Provision - Def. Operating Income Taxes - Net	(154,614)	(194,365)	(153,127)	136,836	148,028	35
<b>Net Operating Income</b>	(\$285,402)	(\$366,777)	(\$362,386)	(\$297,642)	(\$267,453)	36

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$285,402)	(\$366,777)	(\$362,386)	(\$297,642)	(\$267,453)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	521	2,251	1,615	1,076	2,366
39 Interest Income	1	4	7,265	12,764	13,256
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	(171,187)	(206,883)	(28,112)	(78,370)	(152)
44 Other Non-Operating Income	414	7,317	8,543	2,370	69,287
45 Special Charges	(67,994)	(62,793)	(40,940)	(56,387)	(57,729)
46 Total Non-Operating Income & Expenses	(102,256)	(134,519)	30,252	(5,773)	142,486
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(3,351)	(702)	1,544	859	23,628
48 Other					
49 Total Non-Operating Taxes	(3,351)	(702)	1,544	859	23,628
50 Income Available Before Interest Charges	(384,307)	(500,593)	(333,678)	(304,274)	(148,595)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense					
53 Total Interest Charges					
54 Income Before Extraordinary & Nonreg Items	(384,307)	(500,593)	(333,678)	(304,274)	(148,595)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$384,307)	(\$500,593)	(\$333,678)	(\$304,274)	(\$148,595)
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$5,527,775	\$5,833,486	\$6,226,051	\$6,460,954	\$6,765,397
60 Transferred from Income	(213,118)	(293,711)	(305,565)	(225,903)	(148,443)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	11,115	12,000	87,000	9,000	156,000
64 Adjustments					
65 Ending Year Balance	5,303,542	5,527,775	5,833,486	6,226,051	6,460,954
66 Appropriated/Undistr Affiliate Retained Earnings	1,410,556	1,581,743	1,788,627	1,816,738	1,895,108
67 <b>Total Retained Earnings</b>	\$6,714,098	\$7,109,519	\$7,622,113	\$8,042,789	\$8,356,062

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$288,663	\$322,173	\$168,525	\$101,924	\$60,349
2 Accounts Receivable (Net)	148,082	145,313	128,391	139,074	166,688
3 Current Deferred Income Taxes	76,875	66,100	69,710	70,960	8,941
4 Other Current Assets	1,567,666	1,509,554	1,348,769	1,333,561	1,234,557
5 Total Current Assets	2,081,286	2,043,140	1,715,395	1,645,519	1,470,535
<b>NON-CURRENT ASSETS</b>					
6 Investments	2,164,196	1,991,951	1,795,019	1,598,630	1,489,272
7 Unamortized Debt Issuance Costs					985
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	383,228	405,413	459,047	467,501	560,132
11 Other Non-Current Assets					
12 Total Non-Current Assets	2,547,424	2,397,364	2,254,066	2,066,131	2,050,389
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	5,026,550	5,097,714	5,158,894	5,166,639	5,296,924
14 Less: Accumulated Depr and Amort.	4,020,635	4,034,403	4,018,939	4,015,865	3,885,735
15 Net Regulated Plant	1,005,915	1,063,311	1,139,955	1,150,774	1,411,189
16 Total Assets & Other Debits	\$5,634,625	\$5,503,815	\$5,109,416	\$4,862,424	\$4,932,113
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	1,595,870	1,486,369	1,289,007	999,184	\$994,100
18 Notes Payable	87,000	207,000	327,000	386,000	436,000
19 Advanced Billings					
20 Customer Deposits				140	
21 Current Maturities - Long-Term Debt	7,872	7,354	6,872	6,421	55,825
22 Current Deferred Income Taxes					
23 Other Current Liabilities	123,045	137,212	120,683	128,594	(123,178)
24 Total Current Liabilities	1,813,787	1,837,935	1,743,562	1,520,339	1,362,747
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	7,665	15,539	22,882	29,767	25,041
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	198,253	197,496	188,194	169,555	226,573
28 Other Deferred Credits	821,166	851,566	820,710	827,616	835,228
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	310,192	310,192	310,192	310,192	485,524
31 Total Other Liab. and Def. Credits	1,329,611	1,359,254	1,319,096	1,307,363	1,547,325
<b>STOCKHOLDER'S EQUITY</b>					
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	3,374,314	3,181,839	2,914,628	2,895,707	2,887,752
36 Total Stockholder's Equity	2,483,562	2,291,087	2,023,876	2,004,955	1,997,000
37 Total Liab. and Stockholder's Equity	\$5,634,625	\$5,503,815	\$5,109,416	\$4,862,424	\$4,932,113

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$419,685	\$391,162	\$357,615	\$351,851	\$337,473	1
Network Access Services	1,189,783	1,173,379	1,091,985	1,173,285	1,254,363	2
Long Distance Network Services	37	36	143	139	127	3
Miscellaneous Revenues	110,337	137,894	83,134	87,440	97,827	4
Less: Uncollectible Revenues	1,200	1,200	1,200	34	1,200	5
<b>Total Operating Revenues</b>	<b>1,718,642</b>	<b>1,701,271</b>	<b>1,531,677</b>	<b>1,612,681</b>	<b>1,688,590</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	13,689	11,228	12,212	14,937	12,723	7
General Support Expenses	113,775	68,995	65,324	63,030	70,040	8
Central Office Switching	269,200	284,125	260,774	306,978	347,837	9
Operator Systems Expense						10
Central Office Transmission	67,742	60,992	60,433	512	1,415	11
Info. Origination/Termination						12
Cable & Wire Facilities	218,376	213,139	237,262	242,545	304,252	13
<b>Total Plant Specific Operations</b>	<b>682,782</b>	<b>638,479</b>	<b>636,005</b>	<b>628,002</b>	<b>736,267</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	24,350	29,715	41,968	38,362	51,819	16
Access Expense	45,562	45,893	42,244	39,126	38,515	17
Depreciation and Amortization	118,268	112,824	123,598	242,660	255,104	18
<b>Total Plant Non-Specific Operations</b>	<b>188,180</b>	<b>188,432</b>	<b>207,810</b>	<b>320,148</b>	<b>345,438</b>	<b>19</b>
Marketing Expense	9,697	9,281	8,439	10,643	12,912	20
Services Expense	146,995	141,827	136,452	135,731	140,903	21
<b>Total Customer Operations</b>	<b>156,692</b>	<b>151,108</b>	<b>144,891</b>	<b>146,374</b>	<b>153,815</b>	<b>22</b>
Executive & Planning	185,184	247,126	266,599	264,341	290,252	23
General & Administrative	376,649	400,207	382,791	367,327	364,577	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>561,833</b>	<b>647,333</b>	<b>649,390</b>	<b>631,668</b>	<b>654,829</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,589,487</b>	<b>1,625,352</b>	<b>1,638,096</b>	<b>1,726,192</b>	<b>1,890,349</b>	<b>28</b>
Other Operating Income & Expenses		35,361				29
State & Local Income Taxes						30
Other Taxes	79,319	78,834	74,920	78,015	84,852	31
<b>Net Operating Income Before FIT</b>	<b>49,836</b>	<b>32,446</b>	<b>(181,339)</b>	<b>(191,526)</b>	<b>(286,611)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes						34
Provision - Def. Operating Income Taxes - Net	(17,276)	7,113	(77,073)	(89,590)	(112,772)	35
<b>Net Operating Income</b>	<b>\$67,112</b>	<b>\$25,333</b>	<b>(\$104,266)</b>	<b>(\$101,936)</b>	<b>(\$173,839)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$67,112	\$25,333	(\$104,266)	(\$101,936)	(\$173,839)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	264	252	140	327	492
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	172,245	202,838	196,994	109,358	29,968
44 Other Non-Operating Income					
45 Special Charges	16,447	(65,218)	43,956	(23,639)	(16,013)
46 Total Non-Operating Income & Expenses	156,062	268,308	153,178	133,324	46,473
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	12,343	3,433	2,469	2,739	1,413
48 Other					
49 Total Non-Operating Taxes	12,343	3,433	2,469	2,739	1,413
50 Income Available Before Interest Charges	210,831	290,208	46,443	28,649	(128,779)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	1,294	1,789	2,216	3,405	9,605
52 Other Interest Expense	17,062	21,208	25,306	17,289	14,068
53 Total Interest Charges	18,356	22,997	27,522	20,694	23,673
54 Income Before Extraordinary & Nonreg Items	192,475	267,211	18,921	7,955	(152,452)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	<b>\$192,475</b>	<b>\$267,211</b>	<b>\$18,921</b>	<b>\$7,955</b>	<b>(\$152,452)</b>
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,189,888	\$1,125,515	\$1,303,588	\$1,404,991	\$1,587,411
60 Transferred from Income	20,230	64,373	(178,073)	(101,403)	(182,420)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	1,210,118	1,189,888	1,125,515	1,303,588	1,404,991
66 Appropriated/Undistr Affiliate Retained Earnings	2,164,196	1,991,951	1,789,113	1,592,119	1,482,761
67 <b>Total Retained Earnings</b>	<b>\$3,374,314</b>	<b>\$3,181,839</b>	<b>\$2,914,628</b>	<b>\$2,895,707</b>	<b>\$2,887,752</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$409,648	\$374,884	\$441,999	\$372,968	\$339,775
2 Accounts Receivable (Net)	296,000	396,809	322,667	433,546	525,788
3 Current Deferred Income Taxes	7,033	6,629	6,205	5,739	5,236
4 Other Current Assets	261,016	196,381	242,679	219,157	213,816
5 Total Current Assets	973,697	974,703	1,013,550	1,031,410	1,084,615
<b>NON-CURRENT ASSETS</b>					
6 Investments	2,119,454	2,499,670	2,591,011	3,136,320	2,910,987
7 Unamortized Debt Issuance Costs	1,034	1,378	1,723	2,066	2,409
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	52,719	58,293	81,610	157,863	74,834
11 Other Non-Current Assets	1,350,604	1,242,216	1,105,169	998,900	897,553
12 Total Non-Current Assets	3,523,811	3,801,557	3,779,513	4,295,149	3,885,783
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	13,718,114	13,159,600	12,868,633	12,522,868	12,391,830
14 Less: Accumulated Depr and Amort.	11,457,612	11,129,646	10,756,208	10,415,885	10,073,838
15 Net Regulated Plant	2,260,502	2,029,954	2,112,425	2,106,983	2,317,992
16 Total Assets & Other Debits	\$6,758,010	\$6,806,214	\$6,905,488	\$7,433,542	\$7,288,390
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$619,835	\$446,816	\$145,372	\$101,829	\$96,409
18 Notes Payable	100,000	50,000	170,000	185,000	
19 Advanced Billings	21,162	23,658	24,027	19,758	23,532
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(50,662)	(75,434)	(18,695)	203,277	36,911
24 Total Current Liabilities	690,335	445,040	320,704	509,864	156,852
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	28,338	55,218	80,796	105,130	128,294
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	85,884	103,398	117,789	144,035	147,540
28 Other Deferred Credits	175,766	190,970	206,023	220,861	235,507
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	261,650	294,368	323,812	364,896	383,047
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	130,000	130,000	130,000	130,000	130,000
33 Preferred Stock					
34 Other Paid in Capital	12,718	12,074	6,983	6,025	7,973
35 Retained Earnings	5,634,969	5,869,514	6,043,193	6,317,627	6,482,224
36 Total Stockholder's Equity	5,777,687	6,011,588	6,180,176	6,453,652	6,620,197
37 Total Liab. and Stockholder's Equity	\$6,758,010	\$6,806,214	\$6,905,488	\$7,433,542	\$7,288,390

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$647,694	\$615,282	\$588,189	\$646,105	\$656,379	1
Network Access Services	1,148,580	1,164,574	1,108,415	1,261,328	1,240,315	2
Long Distance Network Services						3
Miscellaneous Revenues	277,904	297,288	296,360	344,405	349,042	4
Less: Uncollectible Revenues						5
Total Operating Revenues	2,074,178	2,077,144	1,992,964	2,251,838	2,245,736	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	957	947	3,502		1,096	7
General Support Expenses	194,561	157,166	110,362	196,635	102,314	8
Central Office Switching	64,372	77,834	88,007	91,360	84,846	9
Operator Systems Expense						10
Central Office Transmission	197,908	193,924	156,600	126,247	125,622	11
Info. Origination/Termination	12,741	18,360	17,548	24,182	20,916	12
Cable & Wire Facilities	201,852	167,548	182,182	200,966	135,860	13
Total Plant Specific Operations	672,391	615,779	558,201	639,390	470,654	14
Other Plant, Property & Equipment						15
Network Operations	249,595	253,922	217,465	197,845	176,183	16
Access Expense	65,932	83,395	57,599	56,218	54,746	17
Depreciation and Amortization	353,947	387,848	369,461	414,780	464,658	18
Total Plant Non-Specific Operations	669,474	725,165	644,525	668,843	695,587	19
Marketing Expense	16,515	16,509	19,763	7,307	13,396	20
Services Expense	305,883	306,756	417,329	330,309	333,661	21
Total Customer Operations	322,398	323,265	437,092	337,616	347,057	22
Executive & Planning	356,748	371,213	386,849	358,237	352,480	23
General & Administrative	582,559	511,108	490,915	424,982	385,897	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	939,307	882,321	877,764	783,219	738,377	27
Total Operations Expense	2,603,570	2,546,530	2,517,582	2,429,068	2,251,675	28
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	94,032	92,944	100,488	117,527	120,944	31
<b>Net Operating Income Before FIT</b>	(623,424)	(562,330)	(625,106)	(294,757)	(126,883)	32
Investment Tax Credits - Net						33
Federal Income Taxes	(197,086)	(205,307)	(251,029)	(10,412)	(21,113)	34
Provision - Def. Operating Income Taxes - Net	(12,676)	5,880	49,046	(86,033)	(24,319)	35
<b>Net Operating Income</b>	(\$413,662)	(\$362,903)	(\$423,123)	(\$198,312)	(\$81,451)	36

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$413,662)	(\$362,903)	(\$423,123)	(\$198,312)	(\$81,451)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	475	363	289	259	204
39 Interest Income	410	554	955	1,226	1,321
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	352,599	304,238	354,600	245,967	127,555
44 Other Non-Operating Income	53,954	60,044	26,646	17,986	23,451
45 Special Charges	5,547	3,710	4,620	4,170	5,278
46 Total Non-Operating Income & Expenses	401,891	361,489	377,870	261,268	147,253
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(526)	(1,036)	(1,217)	(974)	(1,303)
48 Other					
49 Total Non-Operating Taxes	(526)	(1,036)	(1,217)	(974)	(1,303)
50 Income Available Before Interest Charges	(11,245)	(378)	(44,036)	63,930	67,105
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	2,020	3,331	4,625	6,974	6,899
52 Other Interest Expense	(6,220)	(655)	(1,727)	(5,947)	(5,717)
53 Total Interest Charges	(4,200)	2,676	2,898	1,027	1,182
54 Income Before Extraordinary & Nonreg Items	(7,045)	(3,054)	(46,934)	62,903	65,923
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$7,045)	(\$3,054)	(\$46,934)	\$62,903	\$65,923
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,391,697	\$4,869,614	\$5,498,648	\$5,909,212	\$6,589,547
60 Transferred from Income	(359,644)	(307,292)	(401,534)	(183,064)	(61,632)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	227,500	170,625	227,500	227,500	618,703
64 Adjustments					
65 Ending Year Balance	3,804,553	4,391,697	4,869,614	5,498,648	5,909,212
66 Appropriated/Undistr Affiliate Retained Earnings	1,830,416	1,477,817	1,173,579	818,979	573,012
67 <b>Total Retained Earnings</b>	\$5,634,969	\$5,869,514	\$6,043,193	\$6,317,627	\$6,482,224

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$609,541	\$844,960	\$1,079,318	\$957,408	\$1,179,530
2 Accounts Receivable (Net)	408,743	396,296	448,248	591,925	749,596
3 Current Deferred Income Taxes	22,325	20,934	19,263	17,760	16,396
4 Other Current Assets	382,307	471,913	428,530	440,648	443,780
5 Total Current Assets	1,422,916	1,734,103	1,975,359	2,007,741	2,389,302
<b>NON-CURRENT ASSETS</b>					
6 Investments	1,480,331	1,547,714	1,647,286	1,777,967	1,866,093
7 Unamortized Debt Issuance Costs	2,947	3,510	4,073	4,636	5,199
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,566,508	1,524,874	1,431,835	1,376,408	951,950
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	4,466,476	4,492,788	4,499,884	4,575,701	4,239,932
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	24,926,382	24,654,441	24,146,429	23,907,710	23,248,706
14 Less: Accumulated Depr and Amort.	20,054,842	20,167,615	19,493,098	18,516,868	17,847,674
15 Net Regulated Plant	4,871,540	4,486,826	4,653,331	5,390,842	5,401,032
16 Total Assets & Other Debits	\$10,760,932	\$10,713,717	\$11,128,574	\$11,974,284	\$12,030,266
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$261,531	\$319,076	\$396,412	\$326,970	\$260,815
18 Notes Payable	410,000				
19 Advanced Billings	8,868	50	(36)	(73)	
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	136,262	167,092	150,751	169,763	(63,409)
24 Total Current Liabilities	816,661	486,218	547,127	496,660	197,406
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	776,726	874,372	964,877	1,048,844	1,126,773
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	650,370	560,038	540,297	722,204	521,432
28 Other Deferred Credits	1,128,135	1,227,002	1,337,424	1,415,693	1,465,483
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	331,654	418,962	536,270	586,110	537,796
31 Total Other Liab. and Def. Credits	2,110,159	2,206,002	2,413,991	2,724,007	2,524,711
<b>STOCKHOLDER'S EQUITY</b>					
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	7,833,522	7,923,261	7,978,715	8,480,909	8,957,512
36 Total Stockholder's Equity	7,057,386	7,147,125	7,202,579	7,704,773	8,181,376
37 Total Liab. and Stockholder's Equity	\$10,760,932	\$10,713,717	\$11,128,574	\$11,974,284	\$12,030,266

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>TELEPHONE OPERATING REVENUES</b>					
Local Network Services	\$961,358	\$947,129	\$936,769	\$972,453	\$1,021,348
Network Access Services	2,242,803	2,365,336	2,860,083	2,917,962	2,982,137
Long Distance Network Services					
Miscellaneous Revenues	434,921	484,379	526,421	519,563	536,181
Less: Uncollectible Revenues	3,850	3,450	50,900	150,200	106,525
<b>Total Operating Revenues</b>	<b>3,635,232</b>	<b>3,793,394</b>	<b>4,272,373</b>	<b>4,259,778</b>	<b>4,433,141</b>
<b>TELEPHONE OPERATING EXPENSES</b>					
Network Support Expenses	15,410	14,619	14,430	17,403	14,694
General Support Expenses	166,948	182,168	176,975	194,560	227,325
Central Office Switching	200,519	233,728	306,075	281,965	186,702
Operator Systems Expense					
Central Office Transmission	286,669	211,360	199,095	168,579	207,829
Info. Origination/Termination	33,790	63,067	106,577	36,401	22,269
Cable & Wire Facilities	329,724	281,694	301,825	318,766	223,818
<b>Total Plant Specific Operations</b>	<b>1,033,060</b>	<b>986,636</b>	<b>1,104,977</b>	<b>1,017,674</b>	<b>882,637</b>
Other Plant, Property & Equipment	4,534	3,656	2,867	2,359	1,617
Network Operations	189,416	192,100	235,167	273,232	285,153
Access Expense	179,143	157,708	126,067	123,002	116,622
Depreciation and Amortization	426,749	663,716	1,262,182	1,045,487	753,199
<b>Total Plant Non-Specific Operations</b>	<b>799,842</b>	<b>1,017,180</b>	<b>1,626,283</b>	<b>1,444,080</b>	<b>1,156,591</b>
Marketing Expense	18,773	22,109	28,053	22,799	38,374
Services Expense	291,187	292,674	339,982	369,816	470,070
<b>Total Customer Operations</b>	<b>309,960</b>	<b>314,783</b>	<b>368,035</b>	<b>392,615</b>	<b>508,444</b>
Executive & Planning	337,540	306,082	437,404	561,870	599,628
General & Administrative	760,291	775,764	770,409	764,275	700,589
Provision - Uncollectible Notes Rec.					
Other					
<b>Total Corporate Operations</b>	<b>1,097,831</b>	<b>1,081,846</b>	<b>1,207,813</b>	<b>1,326,145</b>	<b>1,300,217</b>
<b>Total Operations Expense</b>	<b>3,240,693</b>	<b>3,400,445</b>	<b>4,307,108</b>	<b>4,180,514</b>	<b>3,847,889</b>
Other Operating Income & Expenses					
State & Local Income Taxes					
Other Taxes	333,732	320,015	315,301	310,904	301,695
<b>Net Operating Income Before FIT</b>	<b>60,807</b>	<b>72,934</b>	<b>(350,036)</b>	<b>(231,640)</b>	<b>283,557</b>
Investment Tax Credits - Net					
Federal Income Taxes	4,729				
Provision - Def. Operating Income Taxes - Net	3,572	11,242	(124,435)	(88,131)	64,639
<b>Net Operating Income</b>	<b>\$52,506</b>	<b>\$61,692</b>	<b>(\$225,601)</b>	<b>(\$143,509)</b>	<b>\$218,918</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$52,506	\$61,692	(\$225,601)	(\$143,509)	\$218,918
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	1,711	1,850	1,988	2,756	6,412
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	(27,383)	428	(100,681)	(67,857)	(121,721)
44 Other Non-Operating Income	(99,886)	(104,600)	(109,188)	(129,229)	(109,578)
45 Special Charges	22,441	18,949	21,191	17,903	45,585
46 Total Non-Operating Income & Expenses	(147,999)	(121,271)	(229,072)	(212,233)	(270,472)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(38,155)	(38,738)	(42,295)	(40,985)	(48,852)
48 Other					
49 Total Non-Operating Taxes	(38,155)	(38,738)	(42,295)	(40,985)	(48,852)
50 Income Available Before Interest Charges	(57,338)	(20,841)	(412,378)	(314,757)	(2,702)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	62,215	69,260	75,808	81,860	87,477
52 Other Interest Expense	(29,814)	(34,647)	(29,130)	(18,614)	4,440
53 Total Interest Charges	32,401	34,613	46,678	63,246	91,917
54 Income Before Extraordinary & Nonreg Items	(89,739)	(55,454)	(459,056)	(378,003)	(94,619)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$89,739)	(\$55,454)	(\$459,056)	(\$378,003)	(\$94,619)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,904,099	\$9,959,981	\$10,361,494	\$10,770,240	\$10,841,738
60 Transferred from Income	(62,356)	(55,882)	(358,375)	(310,146)	27,102
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			43,138	98,600	98,600
64 Adjustments					
65 Ending Year Balance	9,841,743	9,904,099	9,959,981	10,361,494	10,770,240
66 Appropriated/Undistr Affiliate Retained Earnings	(2,008,221)	(1,980,838)	(1,981,266)	(1,880,585)	(1,812,728)
67 <b>Total Retained Earnings</b>	\$7,833,522	\$7,923,261	\$7,978,715	\$8,480,909	\$8,957,512

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	(\$2,360,683)	\$37,132,690	\$12,404,341	\$5,265,453	(\$0)
2 Accounts Receivable (Net)	3,388,182,872	949,314,749	901,353,777	838,899,803	846,650,940
3 Current Deferred Income Taxes					
4 Other Current Assets	139,638,666	185,186,125	111,430,766	123,012,423	124,125,273
5 Total Current Assets	3,525,460,855	1,171,633,564	1,025,188,884	967,177,679	970,776,212
<b>NON-CURRENT ASSETS</b>					
6 Investments	680,344,516	675,614,422	563,736,731	439,357,149	436,712,627
7 Unamortized Debt Issuance Costs	3,413,829	3,512,620	4,940,667	5,144,330	6,103,024
8 Deferred Charges	101,023,507	94,450,169	99,305,912	97,493,072	83,232,170
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	0				
11 Other Non-Current Assets	164,392,443	34,012,046	50,490,864	248,439,490	471,549,127
12 Total Non-Current Assets	949,174,294	807,589,257	718,474,174	790,434,041	997,596,948
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	28,294,022,782	27,878,850,923	27,142,402,223	29,803,697,976	29,685,669,682
14 Less: Accumulated Depr and Amort.	17,705,608,765	17,362,412,817	16,654,671,344	19,187,261,951	19,126,125,850
15 Net Regulated Plant	10,588,414,017	10,516,438,106	10,487,730,879	10,616,436,025	10,559,543,832
16 Total Assets & Other Debits	\$15,063,049,166	\$12,495,660,925	\$12,231,393,937	\$12,374,047,745	\$12,527,916,992
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$3,159,139,041	\$703,040,572	\$471,873,579	\$554,561,533	516,354,150
18 Notes Payable	8,208,779,434	7,306,985,913	7,132,715,795	5,437,338,477	3,618,653,984
19 Advanced Billings	154,329,193	134,213,371	166,859,324	169,589,740	159,344,984
20 Customer Deposits	3,346,051	4,135,855	4,459,373	3,445,603	7,960,651
21 Current Maturities - Long-Term Debt	1,584,570	1,856,226	201,188,915	1,319,039	1,278,124
22 Current Deferred Income Taxes	(72,750,635)	(14,613,468)	(354,941,136)	(331,683,644)	(103,614,791)
23 Other Current Liabilities	364,059,952	344,405,559	37,734,471	159,723,435	414,784,399
24 Total Current Liabilities	11,818,487,604	8,480,024,028	7,659,890,320	5,994,294,183	4,614,761,501
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	598,350,776	599,210,014	1,049,886,042	1,250,713,781	2,250,735,680
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC	9,055,788	10,718,461	12,381,134	14,043,807	16,787,001
27 Non-Current Deferred Taxes	(157,366,746)	553,496,771	(297,609,760)	123,973,310	269,720,558
28 Other Deferred Credits	69,417,365	120,456,280	171,056,892	203,898,912	283,425,357
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	7,962,284,774	6,224,288,210	7,841,948,701	7,157,677,788	5,945,289,620
31 Total Other Liab. and Def. Credits	7,883,391,180	6,908,959,722	7,727,776,966	7,499,593,817	6,515,222,536
<b>STOCKHOLDER'S EQUITY</b>					
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	4,365,971,622	4,365,971,618	4,365,667,928	4,365,667,928	4,245,328,446
35 Retained Earnings	(9,604,152,027)	(7,859,504,468)	(8,572,827,328)	(6,737,221,974)	(5,099,131,180)
36 Total Stockholder's Equity	(5,237,180,395)	(3,492,532,839)	(4,206,159,390)	(2,370,554,036)	(852,802,724)
37 Total Liab. and Stockholder's Equity	\$15,063,049,166	\$12,495,660,925	\$12,231,393,938	\$12,374,047,745	\$12,527,916,992

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,120,409,173	\$1,217,628,247	\$1,375,749,352	\$1,542,931,776	\$1,730,932,492	1
Network Access Services	2,300,914,112	2,247,411,038	2,165,171,279	2,132,670,734	2,109,161,592	2
Long Distance Network Services	84,997,970	105,284,737	90,956,878	100,889,165	112,868,052	3
Miscellaneous Revenues	1,756,736,239	1,565,253,339	1,442,628,833	1,269,508,513	1,083,515,337	4
Less: Uncollectible Revenues	32,579,858	25,985,324	35,497,135	24,168,004	54,132,700	5
<b>Total Operating Revenues</b>	<b>5,230,477,636</b>	<b>5,109,592,037</b>	<b>5,039,009,207</b>	<b>5,021,832,184</b>	<b>4,982,344,773</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	49,215,665	55,325,428	57,626,127	8,289,739	3,764,606	7
General Support Expenses	365,506,526	417,500,642	364,800,535	351,034,283	380,129,286	8
Central Office Switching	125,403,574	122,052,642	150,105,008	148,641,162	191,770,638	9
Operator Systems Expense	81,442	77,663	250,669	117,473	209,756	10
Central Office Transmission	107,913,281	133,349,251	120,852,568	113,405,060	135,069,457	11
Info. Origination/Termination	1,198,714,722	1,068,948,129	1,024,578,129	887,556,211	794,069,743	12
Cable & Wire Facilities	689,006,049	527,780,429	817,670,676	872,755,212	908,208,176	13
<b>Total Plant Specific Operations</b>	<b>2,535,841,259</b>	<b>2,325,034,184</b>	<b>2,535,883,714</b>	<b>2,381,799,140</b>	<b>2,413,221,662</b>	<b>14</b>
Other Plant, Property & Equipment	23,575,927	421,910	2,766,579	1,357,023	1,075,988	15
Network Operations	740,338,720	626,917,693	577,354,548	629,624,736	1,653,314,219	16
Access Expense	98,098,706	115,471,590	127,186,268	89,991,000	89,744,189	17
Depreciation and Amortization	1,061,243,296	1,020,469,494	1,172,416,444	1,213,505,532	1,217,966,993	18
<b>Total Plant Non-Specific Operations</b>	<b>1,923,256,649</b>	<b>1,763,280,688</b>	<b>1,879,723,840</b>	<b>1,934,478,291</b>	<b>2,962,101,389</b>	<b>19</b>
Marketing Expense	342,016,769	355,760,138	294,617,169	298,809,933	306,953,486	20
Services Expense	405,002,246	400,728,960	393,385,289	445,653,625	561,055,928	21
<b>Total Customer Operations</b>	<b>747,019,015</b>	<b>756,489,098</b>	<b>688,002,459</b>	<b>744,463,558</b>	<b>868,009,414</b>	<b>22</b>
Executive & Planning	26,284,893	25,810,748	30,695,042	28,692,957	29,954,221	23
General & Administrative	2,577,870,580	(1,055,985,799)	2,522,297,850	2,299,701,281	966,489,217	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>2,604,155,474</b>	<b>(1,030,175,050)</b>	<b>2,552,992,892</b>	<b>2,328,394,238</b>	<b>996,443,439</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>7,810,272,396</b>	<b>3,814,628,919</b>	<b>7,656,602,903</b>	<b>7,389,135,227</b>	<b>7,239,775,904</b>	<b>28</b>
Other Operating Income & Expenses	40,990,995	83,389,463	6,799,811	25,400,215	66,444,250	29
State & Local Income Taxes	(5,897,412)	(42,582,653)	(54,228,595)	(5,025,951)	(12,446,099)	30
Other Taxes	474,050,207	449,964,142	409,103,078	463,372,993	420,077,795	31
<b>Net Operating Income Before FIT</b>	<b>(3,006,956,560)</b>	<b>970,971,092</b>	<b>(2,965,668,368)</b>	<b>(2,800,249,870)</b>	<b>(2,598,618,577)</b>	<b>32</b>
Investment Tax Credits - Net	1,662,673	1,662,673	1,662,674	2,743,195	582,153	33
Federal Income Taxes	(574,589,541)	(944,360,881)	(810,505,222)	(685,586,990)	(1,065,904,580)	34
Provision - Def. Operating Income Taxes - Net	(713,019,944)	1,176,792,492	(349,474,825)	(373,816,100)	92,106,901	35
<b>Net Operating Income</b>	<b>(\$1,717,684,402)</b>	<b>\$740,202,154</b>	<b>(\$1,804,025,648)</b>	<b>(\$1,738,103,585)</b>	<b>(\$1,624,238,746)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$1,717,684,402)	\$740,202,154	(\$1,804,025,648)	(\$1,738,103,585)	(\$1,624,238,746)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	541,200	541,200	541,235	(21,197,867)	4,242,021
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	28,007,147	15,282,099	14,694,534	17,632,408	13,991,889
42 Gains/Losses - Disposal of Property	0				
43 Equity in Earnings of Affiliated Companies	304,730,094	411,877,690	332,382,004	426,644,522	488,800,727
44 Other Non-Operating Income	(88,889,340)	(66,127,359)	(55,041,500)	(18,413,876)	(14,786,388)
45 Special Charges	7,115,164	6,585,608	12,751,242	5,686,851	8,087,887
46 Total Non-Operating Income & Expenses	237,273,937	354,988,022	279,825,031	398,978,336	484,160,363
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(34,005,511)	19,533,116	(23,671,921)	(7,963,079)	(998,625)
48 Other	(34,626,533)	1,360,247	(58,069,079)	3,869,557	3,945,956
49 Total Non-Operating Taxes	(68,632,044)	20,893,363	(81,741,000)	(4,093,522)	2,947,331
50 Income Available Before Interest Charges	(1,411,778,421)	1,074,296,814	(1,442,459,617)	(1,335,031,727)	(1,143,025,714)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	43,514,977	76,747,810	88,486,176	151,538,961	169,908,763
52 Other Interest Expense	289,354,161	284,226,140	231,838,138	151,520,105	171,234,373
53 Total Interest Charges	332,869,138	360,973,951	320,324,314	303,059,066	341,143,136
54 Income Before Extraordinary & Nonreg Items	(1,744,647,560)	713,322,863	(1,762,783,931)	(1,638,090,793)	(1,484,168,850)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$1,744,647,560)	\$713,322,863	(\$1,762,783,931)	(\$1,638,090,793)	(\$1,484,168,850)

**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$8,470,118,599)	(\$9,071,563,769)	(\$7,111,576,411)	(\$5,466,841,095)	(\$4,477,065,544)
60 Transferred from Income	(2,049,377,656)	301,445,171	(2,095,165,935)	(2,064,735,313)	(1,972,969,577)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	300,000,000	300,000,000	135,178,577	419,999,997	983,194,026
65 Ending Year Balance	(10,219,496,255)	(8,470,118,599)	(9,071,563,769)	(7,111,576,411)	(5,466,841,095)
66 Appropriated/Undistr Affiliate Retained Earnings	615,344,227	610,614,131	498,736,441	374,354,437	367,709,915
67 <b>Total Retained Earnings</b>	(\$9,604,152,027)	(\$7,859,504,468)	(\$8,572,827,328)	(\$6,737,221,974)	(\$5,099,131,180)

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$472,090	\$400,095	\$410,867	\$345,011	\$378,672
2 Accounts Receivable (Net)	179,245	125,555	147,421	167,734	175,872
3 Current Deferred Income Taxes					
4 Other Current Assets	139,590	140,321	137,474	135,479	163,709
5 Total Current Assets	790,925	665,971	695,762	648,224	718,253
<b>NON-CURRENT ASSETS</b>					
6 Investments	3,086,127	2,812,436	2,600,835	2,905,114	2,240,185
7 Unamortized Debt Issuance Costs	1,188	1,404	1,620	1,836	2,052
8 Deferred Charges	2,917	5,922	5,621	6,425	4,861
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	445,731	486,675	581,115	388,863	517,549
11 Other Non-Current Assets	21,865	19,810	17,771	15,786	13,889
12 Total Non-Current Assets	3,557,828	3,326,247	3,206,962	3,318,024	2,778,536
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	11,582,306	11,480,499	11,481,831	11,397,962	11,272,940
14 Less: Accumulated Depr and Amort.	9,608,373	9,297,324	9,154,575	8,932,359	8,576,991
15 Net Regulated Plant	1,973,933	2,183,175	2,327,256	2,465,603	2,695,949
16 Total Assets & Other Debits	\$6,322,686	\$6,175,393	\$6,229,980	\$6,431,851	\$6,192,738
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$331,365	\$224,287	\$55,443	\$483,214	\$162,835
18 Notes Payable					
19 Advanced Billings	5,940	5,844	5,322	7,573	8,165
20 Customer Deposits	325	325	425	650	700
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	(11,534)	(97,823)	(11,102)	(63,019)	(52,986)
24 Total Current Liabilities	326,096	132,633	50,088	428,418	118,714
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	438,292	516,792	595,292	673,792	752,292
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	363,635	393,745	387,310	391,101	393,027
28 Other Deferred Credits	162,478	197,488	232,463	267,406	334,682
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,124,959	1,227,478	1,410,825	844,319	1,104,758
31 Total Other Liab. and Def. Credits	1,651,072	1,818,711	2,030,598	1,502,826	1,832,467
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	119,650	119,650	119,650	119,650	119,650
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	3,787,576	3,587,607	3,434,352	3,707,165	3,369,615
36 Total Stockholder's Equity	3,907,226	3,707,257	3,554,002	3,826,815	3,489,265
37 Total Liab. and Stockholder's Equity	\$6,322,686	\$6,175,393	\$6,229,980	\$6,431,851	\$6,192,738

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$846,606	\$893,624	\$968,421	\$1,027,691	\$959,945	1
Network Access Services	758,799	744,518	825,384	917,463	880,984	2
Long Distance Network Services	287,306	103,056	103,056	103,056	103,056	3
Miscellaneous Revenues	625,042	597,518	564,281	597,637	602,863	4
Less: Uncollectible Revenues	1,650	3,750	7,500	9,000	6,000	5
<b>Total Operating Revenues</b>	<b>2,516,103</b>	<b>2,334,966</b>	<b>2,453,642</b>	<b>2,636,847</b>	<b>2,540,848</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	5,946	5,446	4,935	7,333	4,793	7
General Support Expenses	105,870	89,022	77,563	111,815	83,773	8
Central Office Switching	164,516	199,363	241,860	222,869	213,828	9
Operator Systems Expense						10
Central Office Transmission	90,278	73,555	37,905	60,072	61,888	11
Info. Origination/Termination	25,550	15,393	20,235	26,092	20,970	12
Cable & Wire Facilities	185,055	195,826	152,900	145,957	143,018	13
<b>Total Plant Specific Operations</b>	<b>577,215</b>	<b>578,605</b>	<b>535,398</b>	<b>574,138</b>	<b>528,270</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	112,426	124,277	108,107	115,179	113,599	16
Access Expense	67,876	64,716	81,069	75,893	69,228	17
Depreciation and Amortization	322,154	315,365	324,311	406,963	511,246	18
<b>Total Plant Non-Specific Operations</b>	<b>502,456</b>	<b>504,358</b>	<b>513,487</b>	<b>598,035</b>	<b>694,073</b>	<b>19</b>
Marketing Expense	29,759	30,641	32,257	31,256	30,662	20
Services Expense	380,832	398,902	425,330	409,690	414,164	21
<b>Total Customer Operations</b>	<b>410,591</b>	<b>429,543</b>	<b>457,587</b>	<b>440,946</b>	<b>444,826</b>	<b>22</b>
Executive & Planning	496,472	500,614	513,331	439,330	464,136	23
General & Administrative	546,456	596,513	564,207	561,802	555,039	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>1,042,928</b>	<b>1,097,127</b>	<b>1,077,538</b>	<b>1,001,132</b>	<b>1,019,175</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,533,190</b>	<b>2,609,633</b>	<b>2,584,010</b>	<b>2,614,251</b>	<b>2,686,344</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	148,420	144,278	141,549	144,176	168,103	31
<b>Net Operating Income Before FIT</b>	<b>(165,507)</b>	<b>(418,945)</b>	<b>(271,917)</b>	<b>(121,580)</b>	<b>(313,599)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(31,652)	(125,714)	(89,459)	(67,393)	(65,119)	34
Provision - Def. Operating Income Taxes - Net	(32,869)	(18,215)	(13,312)	15,823	(42,935)	35
<b>Net Operating Income</b>	<b>(\$100,986)</b>	<b>(\$275,016)</b>	<b>(\$169,146)</b>	<b>(\$70,010)</b>	<b>(\$205,545)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$100,986)	(\$275,016)	(\$169,146)	(\$70,010)	(\$205,545)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	13,833	12,787	7,400		95
39 Interest Income	34,332	37,586	42,967	28,278	15,673
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	192,788	174,516	231,008	182,355	(47,447)
44 Other Non-Operating Income	10,462	16,233	18,254	28,093	21,253
45 Special Charges	4,877	4,091	4,683	3,098	3,613
46 Total Non-Operating Income & Expenses	246,538	237,031	294,946	235,628	(14,039)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	10,699	17,091	17,587	13,934	6,194
48 Other					
49 Total Non-Operating Taxes	10,699	17,091	17,587	13,934	6,194
50 Income Available Before Interest Charges	134,853	(55,076)	108,213	151,684	(225,778)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	19,502	22,621	26,080	29,248	47,974
52 Other Interest Expense	217	223	233	233	2,764
53 Total Interest Charges	19,719	22,844	26,313	29,481	50,738
54 Income Before Extraordinary & Nonreg Items	115,134	(77,920)	81,900	122,203	(276,516)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$115,134	(\$77,920)	\$81,900	\$122,203	(\$276,516)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$28,046)	(\$6,785)	\$497,036	\$341,841	\$533,120
60 Transferred from Income	(77,654)	(252,436)	(149,108)	(60,152)	(229,069)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	84,834	231,175	(354,713)	215,347	37,790
65 Ending Year Balance	(20,866)	(28,046)	(6,785)	497,036	341,841
66 Appropriated/Undistr Affiliate Retained Earnings	3,808,442	3,615,653	3,441,137	3,210,129	3,027,774
67 <b>Total Retained Earnings</b>	\$3,787,576	\$3,587,607	\$3,434,352	\$3,707,165	\$3,369,615

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,213	(\$10,262)	\$3,933	\$42,053	\$128,098
2 Accounts Receivable (Net)	148,728	51,673	676,419	598,086	370,223
3 Current Deferred Income Taxes					
4 Other Current Assets	150,661	193,989	169,026	188,155	189,347
5 Total Current Assets	301,602	235,400	849,378	828,294	687,668
<b>NON-CURRENT ASSETS</b>					
6 Investments	1,809,975	1,777,977	896,137	568,937	1,024,964
7 Unamortized Debt Issuance Costs	3,438	4,259	5,081	5,903	6,895
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	1,147,598	1,035,282	872,364	778,359	679,723
11 Other Non-Current Assets					
12 Total Non-Current Assets	2,961,011	2,817,518	1,773,582	1,353,199	1,711,582
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	9,826,042	9,824,069	9,921,034	9,860,287	9,852,205
14 Less: Accumulated Depr and Amort.	8,529,539	8,342,256	8,135,383	7,844,470	7,573,937
15 Net Regulated Plant	1,296,503	1,481,813	1,785,650	2,015,817	2,278,268
16 <b>Total Assets &amp; Other Debits</b>	<b>\$4,559,116</b>	<b>\$4,534,730</b>	<b>\$4,408,610</b>	<b>\$4,197,310</b>	<b>\$4,677,518</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$1,642,155	\$996,917	\$562,337	\$645,485	\$508,217
18 Notes Payable	285,236	352,397	934,207	31,387	49,890
19 Advanced Billings					
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	169,799	162,025	177,830	168,395	180,100
22 Current Deferred Income Taxes					
23 Other Current Liabilities	271,393	198,859	188,495	156,088	172,521
24 Total Current Liabilities	2,368,583	1,710,198	1,862,869	1,001,355	910,728
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	830,826	996,057	1,119,713	1,148,343	1,316,784
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	133,900	171,891	235,401	270,780	289,363
28 Other Deferred Credits	459,666	473,822	535,786	650,107	782,353
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	593,566	645,713	771,187	920,887	1,071,716
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	41,000	41,000	41,000	41,000	41,000
33 Preferred Stock	99,700	100,000	100,000	100,000	100,000
34 Other Paid in Capital	(372,488)	(297,908)	(186,518)		(682,108)
35 Retained Earnings	997,929	1,339,671	700,358	985,724	1,919,398
36 Total Stockholder's Equity	766,141	1,182,762	654,840	1,126,724	1,378,290
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$4,559,116</b>	<b>\$4,534,730</b>	<b>\$4,408,610</b>	<b>\$4,197,309</b>	<b>\$4,677,518</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$405,181	\$482,126	\$537,768	\$585,320	\$605,797	1
Network Access Services	482,864	571,503	658,793	686,712	1,464,435	2
Long Distance Network Services	246,174	31,141	194,271	390,405		3
Miscellaneous Revenues	41,982	95,116	70,239	89,638	101,530	4
Less: Uncollectible Revenues	(2,029)	(164)	(16)	5,815	14,575	5
<b>Total Operating Revenues</b>	<b>1,178,229</b>	<b>1,180,051</b>	<b>1,461,087</b>	<b>1,746,260</b>	<b>2,157,188</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	2,280	3,955	2,973	18,013	12,455	7
General Support Expenses	189,621	170,935	177,114	140,801	217,813	8
Central Office Switching	39,991	53,151	174,486	247,228	274,221	9
Operator Systems Expense						10
Central Office Transmission	3,631	22,943	46,268	26,893	17,558	11
Info. Origination/Termination	19,102	18,612	37,637	8,731	8,164	12
Cable & Wire Facilities	72,303	75,941	57,327	94,228	124,295	13
<b>Total Plant Specific Operations</b>	<b>326,928</b>	<b>345,537</b>	<b>495,806</b>	<b>535,894</b>	<b>654,507</b>	<b>14</b>
Other Plant, Property & Equipment		5,027	2,020	194	(724)	15
Network Operations	87,951	98,606	63,331	100,034	191,728	16
Access Expense	31,918	32,418	34,247	38,588	31,283	17
Depreciation and Amortization	169,799	271,068	261,668	257,511	259,412	18
<b>Total Plant Non-Specific Operations</b>	<b>289,668</b>	<b>407,119</b>	<b>361,265</b>	<b>396,327</b>	<b>481,699</b>	<b>19</b>
Marketing Expense	1,986	5,755	2,868	2,057	2,485	20
Services Expense	79,917	219,828	217,570	217,503	223,290	21
<b>Total Customer Operations</b>	<b>81,903</b>	<b>225,583</b>	<b>220,438</b>	<b>219,560</b>	<b>225,775</b>	<b>22</b>
Executive & Planning	148,711	241,862	178,586	304,143	126,714	23
General & Administrative	528,443	320,343	326,944	340,554	534,711	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>677,154</b>	<b>562,205</b>	<b>505,530</b>	<b>644,697</b>	<b>661,425</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,375,653</b>	<b>1,540,443</b>	<b>1,583,039</b>	<b>1,796,478</b>	<b>2,023,406</b>	<b>28</b>
Other Operating Income & Expenses					4,010	29
State & Local Income Taxes						30
Other Taxes	94,859	95,404	125,670	133,788	139,883	31
<b>Net Operating Income Before FIT</b>	<b>(292,282)</b>	<b>(455,797)</b>	<b>(247,622)</b>	<b>(184,006)</b>	<b>(2,091)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes				17,621	117	34
Provision - Def. Operating Income Taxes - Net	(148,344)	(224,756)	(125,774)	(116,787)	(54,578)	35
<b>Net Operating Income</b>	<b>(\$143,938)</b>	<b>(\$231,041)</b>	<b>(\$121,848)</b>	<b>(\$84,840)</b>	<b>\$52,370</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$143,938)	(\$231,041)	(\$121,848)	(\$84,840)	\$52,370
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					43
39 Interest Income	3	11	61	346	628
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	190,714	1,006,495	(28,510)	(440,601)	75,168
44 Other Non-Operating Income			(1,430)		
45 Special Charges	13,938	(1,945)	14,733	15,915	14,116
46 Total Non-Operating Income & Expenses	176,779	1,008,451	(44,612)	(456,170)	61,723
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(1,496)	(1,125)	(1,057)	(432)	1,422
48 Other					840
49 Total Non-Operating Taxes	(1,496)	(1,125)	(1,057)	(432)	2,262
50 Income Available Before Interest Charges	34,337	778,536	(165,403)	(540,578)	111,830
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	45,233	59,109	71,517	83,332	97,404
52 Other Interest Expense	79,712	74,190	42,445	13,743	28,336
53 Total Interest Charges	124,945	133,299	113,962	97,075	125,740
54 Income Before Extraordinary & Nonreg Items	(90,608)	645,237	(279,365)	(637,653)	(13,909)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$90,608)	\$645,237	(\$279,365)	(\$637,653)	(\$13,909)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$913,755	\$1,280,938	\$1,537,792	\$2,030,866	\$2,128,011
60 Transferred from Income	(281,322)	(361,259)	(250,854)	(197,053)	(89,077)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	5,991	6,000	6,000	6,000	6,000
63 Common Stock				1,034	2,067
64 Adjustments	(245,143)	76		(288,987)	
65 Ending Year Balance	381,299	913,755	1,280,938	1,537,792	2,030,866
66 Appropriated/Undistr Affiliate Retained Earnings	616,630	425,916	(580,580)	(552,070)	(111,469)
67 <b>Total Retained Earnings</b>	\$997,929	\$1,339,671	\$700,358	\$985,722	\$1,919,397

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments					(\$1,532)
2 Accounts Receivable (Net)	1,372,182	1,497,492	\$1,727,791	\$1,589,578	1,598,620
3 Current Deferred Income Taxes					
4 Other Current Assets	1,633				
5 Total Current Assets	1,373,816	1,497,492	1,727,791	1,589,578	1,597,088
<b>NON-CURRENT ASSETS</b>					
6 Investments	26,880,352	26,936,469	30,590,310	26,026,093	23,642,508
7 Unamortized Debt Issuance Costs					4,550
8 Deferred Charges	864,449	864,449	864,879	864,879	864,845
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	27,873,911	27,930,028	31,584,299	27,020,082	24,641,012
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	49,025,208	48,366,706	48,286,747	47,619,193	47,030,296
14 Less: Accumulated Depr and Amort.	41,564,332	40,800,406	39,885,623	37,928,414	35,826,592
15 Net Regulated Plant	7,460,876	7,566,300	8,401,124	9,690,779	11,203,704
16 Total Assets & Other Debits	\$36,708,602	\$36,993,820	\$41,713,214	\$38,300,439	\$37,441,804
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$1,050,027	\$1,155,717	\$6,155,130	\$2,702,201	\$1,185,725
18 Notes Payable					
19 Advanced Billings	110,713	116,404	115,795	117,210	140,828
20 Customer Deposits		73			
21 Current Maturities - Long-Term Debt				143,148	670,379
22 Current Deferred Income Taxes					
23 Other Current Liabilities	58,026	121,669	(54,274)	(41,460)	105,286
24 Total Current Liabilities	1,218,766	1,393,863	6,216,652	2,921,099	2,102,217
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt				359,477	502,624
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,602,400	2,725,018	2,897,477	2,976,149	3,054,821
28 Other Deferred Credits	12,374	108	46,284	44,079	47,063
29 Other Jurisdictional Differences - Net					
30 Other Liabilities					
31 Total Other Liab. and Def. Credits	2,614,773	2,725,126	2,943,761	3,020,228	3,101,884
<b>STOCKHOLDER'S EQUITY</b>					
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	30,670,600	30,670,368	30,348,338	29,795,171	29,530,616
36 Total Stockholder's Equity	32,875,063	32,874,831	32,552,801	31,999,634	31,735,079
37 Total Liab. and Stockholder's Equity	\$36,708,602	\$36,993,820	\$41,713,214	\$38,300,439	\$37,441,804

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$2,240,355	\$2,455,674	\$3,424,300	\$3,586,814	\$3,632,998	1
Network Access Services	2,044,909	2,624,035	2,739,148	2,826,636	2,976,182	2
Long Distance Network Services	4,307	5,475	9,568	11,870	16,955	3
Miscellaneous Revenues	1,317,723	1,205,176	1,327,747	1,256,253	1,423,216	4
Less: Uncollectible Revenues	53,133	55,382	65,148	55,045	29,749	5
<b>Total Operating Revenues</b>	<b>5,554,161</b>	<b>6,234,978</b>	<b>7,435,614</b>	<b>7,626,528</b>	<b>8,019,602</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	79,113	74,843	(596)	93	15,044	7
General Support Expenses	347,983	294,723	388,024	583,123	467,981	8
Central Office Switching	257,513	315,541	334,918	353,322	333,755	9
Operator Systems Expense	332	547	863	7,502	8,786	10
Central Office Transmission	31,991	25,017	25,875	58,226	34,183	11
Info. Origination/Termination	120,280	175,179	133,434	161,395	99,063	12
Cable & Wire Facilities	482,134	458,120	544,499	529,515	557,128	13
<b>Total Plant Specific Operations</b>	<b>1,319,347</b>	<b>1,343,971</b>	<b>1,427,016</b>	<b>1,693,176</b>	<b>1,515,940</b>	<b>14</b>
Other Plant, Property & Equipment	(23)	673	(844)	(23)	5	15
Network Operations	589,858	565,656	738,901	616,240	569,049	16
Access Expense	151,555	146,464	194,668	232,884	191,114	17
Depreciation and Amortization	832,648	1,399,162	2,076,675	2,158,526	2,128,298	18
<b>Total Plant Non-Specific Operations</b>	<b>1,574,038</b>	<b>2,111,956</b>	<b>3,009,400</b>	<b>3,007,627</b>	<b>2,888,466</b>	<b>19</b>
Marketing Expense	363,968	281,436	319,068	332,587	258,382	20
Services Expense	799,991	757,646	643,952	788,008	652,005	21
<b>Total Customer Operations</b>	<b>1,163,960</b>	<b>1,039,082</b>	<b>963,020</b>	<b>1,120,595</b>	<b>910,388</b>	<b>22</b>
Executive & Planning	129,783	75,147	83,519	125,056	204,667	23
General & Administrative	786,554	545,724	484,682	825,293	951,352	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>916,337</b>	<b>620,871</b>	<b>568,200</b>	<b>950,349</b>	<b>1,156,019</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,973,682</b>	<b>5,115,880</b>	<b>5,967,636</b>	<b>6,771,747</b>	<b>6,470,813</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	569,011	593,340	611,984	450,356	627,711	31
<b>Net Operating Income Before FIT</b>	<b>11,468</b>	<b>525,758</b>	<b>855,994</b>	<b>404,425</b>	<b>921,078</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(140,224)	100,450	271,940	(162,766)	364,216	34
Provision - Def. Operating Income Taxes - Net	(122,618)	(172,459)	(263,734)	59,032	(337,464)	35
<b>Net Operating Income</b>	<b>\$274,310</b>	<b>\$597,767</b>	<b>\$847,788</b>	<b>\$508,159</b>	<b>\$894,326</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$274,310	\$597,767	\$847,788	\$508,159	\$894,326
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income					
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction			2	6,417	3,043
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies					
44 Other Non-Operating Income					
45 Special Charges	289	105	9,368	3,503	4,121
46 Total Non-Operating Income & Expenses	(289)	(105)	(9,366)	2,914	(1,078)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	273,789	275,630	271,813	185,925	218,442
48 Other					
49 Total Non-Operating Taxes	273,789	275,630	271,813	185,925	218,442
50 Income Available Before Interest Charges	232	322,032	566,609	325,148	674,806
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt			13,441	56,046	95,872
52 Other Interest Expense				4,550	10,260
53 Total Interest Charges			13,441	60,596	106,132
54 Income Before Extraordinary & Nonreg Items	232	322,032	553,167	264,552	568,674
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	762,445	731,499	832,548	700,810	730,270
57 Total Extraordinary & Nonregulated Items	762,445	731,499	832,548		
58 <b>Net Income</b>	<b>\$762,677</b>	<b>\$1,053,531</b>	<b>\$1,385,716</b>	<b>\$264,552</b>	<b>\$568,674</b>
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$30,670,368	\$30,348,336	\$29,795,168	\$29,530,616	\$28,961,942
60 Transferred from Income	232	322,032	553,167	264,552	568,674
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	30,670,599	30,670,368	30,348,336	29,795,168	29,530,616
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	<b>\$30,670,600</b>	<b>\$30,670,368</b>	<b>\$30,348,338</b>	<b>\$29,795,171</b>	<b>\$29,530,616</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$438,442	\$662,422	\$914,633	\$538,817	\$1,014,303
2 Accounts Receivable (Net)	2,304,442	2,046,301	1,948,165	1,645,142	1,515,190
3 Current Deferred Income Taxes					
4 Other Current Assets	1,869,882	1,817,894	1,997,190	471,374	285,525
5 Total Current Assets	4,612,766	4,526,617	4,859,988	2,655,333	2,815,018
<b>NON-CURRENT ASSETS</b>					
6 Investments	5,041,327	4,895,346	4,701,154	5,623,624	5,297,562
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	667,477	661,068	862,443	682,379	622,861
11 Other Non-Current Assets	3,156,250	2,921,286	2,690,401	3,237,147	3,118,121
12 Total Non-Current Assets	8,865,054	8,477,700	8,253,998	9,543,150	9,038,544
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	12,291,214	13,700,710	13,610,053	13,823,094	13,784,397
14 Less: Accumulated Depr and Amort.	8,858,628	10,074,956	9,662,606	9,696,016	9,238,403
15 Net Regulated Plant	3,432,586	3,625,754	3,947,447	4,127,078	4,545,994
16 Total Assets & Other Debits	\$16,910,406	\$16,630,071	\$17,061,433	\$16,325,561	\$16,399,556
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$285,468	\$207,059	\$171,611	\$173,797	\$207,918
18 Notes Payable					
19 Advanced Billings	84,651	86,500	83,081	90,320	98,872
20 Customer Deposits	750	750	750	750	750
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,964,952	1,716,949	2,384,372	1,700,344	1,472,524
24 Total Current Liabilities	2,335,821	2,011,258	2,639,814	1,965,211	1,780,064
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	3,272,765	3,253,319	3,418,941	3,348,800	3,687,392
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,264,244	1,285,698	1,343,833	994,080	965,912
28 Other Deferred Credits	150,280	231,866	244,807	259,110	304,739
29 Other Jurisdictional Differences - Net					
30 Other Liabilities			46,000	98,000	150,000
31 Total Other Liab. and Def. Credits	1,414,524	1,517,564	1,634,640	1,351,190	1,420,651
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	85,100	85,100	85,100	85,100	85,100
33 Preferred Stock	19,550	25,150	28,150	33,150	33,350
34 Other Paid in Capital	(2,212,080)	(2,131,486)	(2,586,620)	(2,369,939)	(2,311,801)
35 Retained Earnings	11,994,726	11,869,166	11,841,408	11,912,049	11,704,800
36 Total Stockholder's Equity	9,887,296	9,847,930	9,368,038	9,660,360	9,511,449
37 Total Liab. and Stockholder's Equity	\$16,910,406	\$16,630,071	\$17,061,433	\$16,325,561	\$16,399,556

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$528,154	\$579,400	\$636,211	\$744,043	\$807,829	1
Network Access Services	1,258,306	1,212,808	1,362,482	1,382,711	1,390,064	2
Long Distance Network Services	241,893	241,999	242,330	242,372	230,263	3
Miscellaneous Revenues	130,263	121,947	130,023	466,594	983,660	4
Less: Uncollectible Revenues	468	3		15,643	1,440	5
<b>Total Operating Revenues</b>	<b>2,158,148</b>	<b>2,156,151</b>	<b>2,371,046</b>	<b>2,820,077</b>	<b>3,410,376</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	2,287	2,226	2,947	4,477	7,343	7
General Support Expenses	140,913	138,948	126,014	131,294	121,051	8
Central Office Switching	96,331	122,014	161,087	133,790	123,395	9
Operator Systems Expense						10
Central Office Transmission	209,120	246,805	219,815	209,235	160,221	11
Info. Origination/Termination	9,592	9,272	10,568	11,052	7,646	12
Cable & Wire Facilities	97,286	134,469	79,250	330,281	706,391	13
<b>Total Plant Specific Operations</b>	<b>555,529</b>	<b>653,734</b>	<b>599,681</b>	<b>820,129</b>	<b>1,126,047</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	150,440	191,141	177,587	221,989	214,278	16
Access Expense	69,071	46,422	51,349	49,237	49,411	17
Depreciation and Amortization	505,243	594,360	569,901	555,350	586,851	18
<b>Total Plant Non-Specific Operations</b>	<b>724,754</b>	<b>831,923</b>	<b>798,837</b>	<b>826,576</b>	<b>850,540</b>	<b>19</b>
Marketing Expense	7,623	9,670	10,110	9,262	8,013	20
Services Expense	228,443	219,938	216,103	204,155	217,358	21
<b>Total Customer Operations</b>	<b>236,066</b>	<b>229,608</b>	<b>226,213</b>	<b>213,417</b>	<b>225,371</b>	<b>22</b>
Executive & Planning	105,939	104,573	140,886	186,586	160,624	23
General & Administrative	450,975	436,429	471,597	490,765	493,022	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>556,914</b>	<b>541,002</b>	<b>612,483</b>	<b>677,351</b>	<b>653,646</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,073,263</b>	<b>2,256,267</b>	<b>2,237,214</b>	<b>2,537,473</b>	<b>2,855,604</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	184,146	187,048	214,451	210,129	211,266	31
<b>Net Operating Income Before FIT</b>	<b>(99,261)</b>	<b>(287,164)</b>	<b>(80,619)</b>	<b>72,475</b>	<b>343,506</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	7,734	(30,709)	(11,269)	5,144	5,738	34
Provision - Def. Operating Income Taxes - Net	(28,155)	(91,222)	269,310	(7,687)	16,339	35
<b>Net Operating Income</b>	<b>(\$78,840)</b>	<b>(\$165,233)</b>	<b>(\$338,660)</b>	<b>\$75,018</b>	<b>\$321,429</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$78,840)	(\$165,233)	(\$338,660)	\$75,018	\$321,429
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	135,373	116,360	116,882	67,769	23,572
39 Interest Income	119,742	147,436	204,395	158,078	165,948
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	16,401	29,350	(27,200)	115,652	90,425
44 Other Non-Operating Income	98,156	(8,266)	146,708	(57,184)	(21,787)
45 Special Charges	(45,175)	(79,434)	(32,393)	(23,016)	9,777
46 Total Non-Operating Income & Expenses	414,847	364,314	473,178	307,331	248,381
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	108,011	33,488	28,280	1,696	80,071
48 Other					
49 Total Non-Operating Taxes	108,011	33,488	28,280	1,696	80,071
50 Income Available Before Interest Charges	227,996	165,593	106,238	380,653	489,739
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	129,571	134,453	173,213	169,334	342,738
52 Other Interest Expense	441	76	78	284	64
53 Total Interest Charges	130,012	134,529	173,291	169,618	342,802
54 Income Before Extraordinary & Nonreg Items	97,984	31,064	(67,053)	211,035	146,937
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$97,984	\$31,064	(\$67,053)	\$211,035	\$146,937
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$9,287,913	\$9,289,505	\$9,332,946	\$9,241,349	\$9,188,650
60 Transferred from Income	81,583	1,714	(39,853)	95,383	56,512
61 Appropriations					
Dividends Declared:					
62 Preferred Stock	1,341	1,509	1,791	1,989	2,016
63 Common Stock	1,767	1,797	1,797	1,797	1,797
64 Adjustments	30,684				
65 Ending Year Balance	9,397,072	9,287,913	9,289,505	9,332,946	9,241,349
66 Appropriated/Undistr Affiliate Retained Earnings	2,597,654	2,581,253	2,551,903	2,579,103	2,463,451
67 <b>Total Retained Earnings</b>	\$11,994,726	\$11,869,166	\$11,841,408	\$11,912,049	\$11,704,800

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$591,285	\$583,441	\$431,099	\$356,302	\$664,568
2 Accounts Receivable (Net)	4,506,723	4,064,744	3,652,004	3,662,148	2,788,734
3 Current Deferred Income Taxes					
4 Other Current Assets	253,455	322,837	346,980	357,968	374,078
5 Total Current Assets	5,351,463	4,971,022	4,430,083	4,376,418	3,827,380
<b>NON-CURRENT ASSETS</b>					
6 Investments	410,193	371,037	196,085	147,603	132,201
7 Unamortized Debt Issuance Costs				1,200	2,400
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	577,411	596,331	577,195	583,430	634,225
11 Other Non-Current Assets	1,037,487	1,042,022	1,679,888	1,649,756	1,715,653
12 Total Non-Current Assets	2,025,091	2,009,390	2,453,168	2,381,989	2,484,479
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	12,601,031	12,854,660	12,840,049	12,947,758	12,848,605
14 Less: Accumulated Depr and Amort.	6,362,020	6,276,308	5,838,830	5,747,843	5,206,547
15 Net Regulated Plant	6,239,010	6,578,352	7,001,219	7,199,915	7,642,058
16 Total Assets & Other Debits	\$13,615,564	\$13,558,764	\$13,884,470	\$13,958,322	\$13,953,917
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$457,181	\$122,406	\$251,614	\$79,964	\$84,822
18 Notes Payable	146,896	171,580	97,275	141,851	162,864
19 Advanced Billings	321,920	337,265	369,482	434,968	464,958
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	154,899	154,899	154,899	154,899	154,899
22 Current Deferred Income Taxes					33,134
23 Other Current Liabilities	780,824	540,490	531,764	518,471	505,523
24 Total Current Liabilities	1,861,720	1,326,640	1,405,034	1,330,153	1,406,200
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	51,622	258,153	413,052	671,217	826,116
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,728,757	1,839,832	1,881,929	1,893,886	1,846,101
28 Other Deferred Credits	488,665	437,801	448,117	415,181	341,666
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	283,148	358,369	370,308	334,447	377,629
31 Total Other Liab. and Def. Credits	2,500,570	2,636,002	2,700,354	2,643,514	2,565,396
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	115,000	115,000	115,000	115,000	115,000
33 Preferred Stock					
34 Other Paid in Capital	(1,352,424)	(1,304,680)	(1,334,209)	(1,388,418)	(1,398,151)
35 Retained Earnings	10,439,076	10,527,649	10,585,239	10,586,858	10,439,356
36 Total Stockholder's Equity	9,201,652	9,337,969	9,366,030	9,313,440	9,156,205
37 Total Liab. and Stockholder's Equity	\$13,615,564	\$13,558,764	\$13,884,470	\$13,958,323	\$13,953,917

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>TELEPHONE OPERATING REVENUES</b>					
Local Network Services	\$595,195	\$606,612	\$647,669	\$648,937	\$646,084
Network Access Services	2,401,116	2,243,233	2,320,375	2,474,188	2,136,550
Long Distance Network Services					
Miscellaneous Revenues	270,532	320,789	477,210	497,142	527,672
Less: Uncollectible Revenues	7,434	8,392	5,492	10,137	14,045
<b>Total Operating Revenues</b>	<b>3,259,409</b>	<b>3,162,242</b>	<b>3,439,762</b>	<b>3,610,130</b>	<b>3,296,261</b>
<b>TELEPHONE OPERATING EXPENSES</b>					
Network Support Expenses	1,159	2,345	596	3,274	6,075
General Support Expenses	355,843	279,898	228,678	206,940	201,644
Central Office Switching	314,945	290,070	321,270	261,490	291,206
Operator Systems Expense					
Central Office Transmission	130,965	83,106	68,907	69,244	68,153
Info. Origination/Termination	57,161	51,039	57,645	56,723	73,391
Cable & Wire Facilities	182,128	199,467	174,643	194,919	156,761
<b>Total Plant Specific Operations</b>	<b>1,042,201</b>	<b>905,925</b>	<b>851,738</b>	<b>792,590</b>	<b>797,230</b>
Other Plant, Property & Equipment			0	737	450
Network Operations	415,983	451,107	492,959	391,896	376,075
Access Expense	102,806	85,888	91,598	83,781	78,170
Depreciation and Amortization	598,232	604,908	594,276	601,433	599,124
<b>Total Plant Non-Specific Operations</b>	<b>1,117,021</b>	<b>1,141,903</b>	<b>1,178,833</b>	<b>1,077,847</b>	<b>1,053,819</b>
Marketing Expense	68,617	36,053	98,554	121,645	76,779
Services Expense	234,413	243,785	273,413	300,111	340,956
<b>Total Customer Operations</b>	<b>303,030</b>	<b>279,838</b>	<b>371,967</b>	<b>421,756</b>	<b>417,735</b>
Executive & Planning	367,748	334,063	289,994	270,802	298,673
General & Administrative	753,871	706,654	639,754	615,777	608,696
Provision - Uncollectible Notes Rec.					
Other					
<b>Total Corporate Operations</b>	<b>1,121,619</b>	<b>1,040,717</b>	<b>929,747</b>	<b>886,579</b>	<b>907,369</b>
<b>Total Operations Expense</b>	<b>3,583,871</b>	<b>3,368,383</b>	<b>3,332,285</b>	<b>3,178,772</b>	<b>3,176,153</b>
Other Operating Income & Expenses		163			(5)
State & Local Income Taxes					
Other Taxes	156,564	157,413	157,820	162,480	155,480
<b>Net Operating Income Before FIT</b>	<b>(481,026)</b>	<b>(363,391)</b>	<b>(50,343)</b>	<b>268,878</b>	<b>(35,377)</b>
Investment Tax Credits - Net					
Federal Income Taxes					9,459
Provision - Def. Operating Income Taxes - Net	(186,204)	(66,421)	(22,763)	73,308	(33,554)
<b>Net Operating Income</b>	<b>(\$294,822)</b>	<b>(\$296,970)</b>	<b>(\$27,580)</b>	<b>\$195,570</b>	<b>(\$11,282)</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$294,822)	(\$296,970)	(\$27,580)	\$195,570	(\$11,282)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	17,416	13,403	12,420	13,532	14,875
39 Interest Income	9,066	13,067	13,355	15,426	17,946
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	5,303	5,520	5,228	4,285	3,341
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	52,596	90,010	48,482	16,588	(8,136)
44 Other Non-Operating Income	304,409	112,564	47,484	37,229	39,027
45 Special Charges	19,973	26,418	(4,592)	23,593	6,391
46 Total Non-Operating Income & Expenses	368,817	208,146	131,561	63,467	60,662
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	100,273	21,100			155
48 Other			16,046	12,307	
49 Total Non-Operating Taxes	100,273	21,100	16,046	12,307	155
50 Income Available Before Interest Charges	(26,278)	(109,924)	87,935	246,730	49,225
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	8,414	14,495	35,537	47,603	59,882
52 Other Interest Expense	5,016	3,747	4,945	7,697	11,131
53 Total Interest Charges	13,430	18,242	40,482	55,300	71,013
54 Income Before Extraordinary & Nonreg Items	(39,708)	(128,166)	47,452	191,430	(21,788)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$39,708)	(\$128,166)	\$47,452	\$191,430	(\$21,788)

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$10,804,214	\$10,861,896	\$10,863,514	\$10,716,012	\$10,781,486
60 Transferred from Income	(92,304)	(218,176)	(1,026)	174,842	(13,652)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	48,865	48,974	49,073	43,928	43,686
64 Adjustments	52,687	209,468	(48,480)	16,588	(8,135)
65 Ending Year Balance	10,715,732	10,804,214	10,861,896	10,863,514	10,716,012
66 Appropriated/Undistr Affiliate Retained Earnings	(276,656)	(276,565)	(276,656)	(276,656)	(276,656)
67 <b>Total Retained Earnings</b>	\$10,439,076	\$10,527,649	\$10,585,240	\$10,586,858	\$10,439,356

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$409,278	\$392,155	\$788,166	\$774,775	\$756,172
2 Accounts Receivable (Net)	62,241	34,861	31,342	43,901	119,295
3 Current Deferred Income Taxes					
4 Other Current Assets	7,089	12,287	8,057	8,680	9,446
5 Total Current Assets	478,608	439,303	827,565	827,356	884,913
<b>NON-CURRENT ASSETS</b>					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	22,412	41,205			
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	22,412	41,205			
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	1,512,563	1,549,771	1,560,656	1,551,816	1,491,894
14 Less: Accumulated Depr and Amort.	964,199	862,726	794,646	723,973	636,427
15 Net Regulated Plant	548,364	687,045	766,010	827,843	855,467
16 <b>Total Assets &amp; Other Debits</b>	<b>\$1,049,384</b>	<b>\$1,167,553</b>	<b>\$1,593,575</b>	<b>\$1,655,199</b>	<b>\$1,740,380</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$37,239	\$42,057	\$42,538	\$49,439	48,201
18 Notes Payable					
19 Advanced Billings	4,721	4,535	4,407	4,679	4,947
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes	(369)	(1,044)	(1,311)	(1,852)	103
23 Other Current Liabilities	39,541	18,065	35,709	90,672	19,064
24 Total Current Liabilities	81,132	63,613	81,343	142,938	72,315
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	109,494	144,374	175,908	172,012	178,672
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities			(49,988)	(43,139)	(42,768)
31 Total Other Liab. and Def. Credits	109,494	144,374	125,920	128,873	135,904
<b>STOCKHOLDER'S EQUITY</b>					
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
35 Retained Earnings	857,268	958,076	1,358,163	1,358,820	1,508,806
36 Total Stockholder's Equity	858,758	959,566	1,386,312	1,383,388	1,532,161
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$1,049,384</b>	<b>\$1,167,553</b>	<b>\$1,593,575</b>	<b>\$1,655,199</b>	<b>\$1,740,380</b>

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$103,206	\$106,783	\$111,985	\$143,590	\$160,185	1
Network Access Services	254,436	170,784	140,402	181,247	177,722	2
Long Distance Network Services						3
Miscellaneous Revenues	104,870	106,173	104,214	108,377	103,774	4
Less: Uncollectible Revenues	(1,439)	4,035	9,741	4,721	(2,866)	5
Total Operating Revenues	463,951	379,705	346,860	428,493	444,547	6
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	374	643	2,216	408	347	7
General Support Expenses	20,404	19,941	19,455	23,308	24,501	8
Central Office Switching	4,050	4,369	3,954	5,115	7,533	9
Operator Systems Expense						10
Central Office Transmission	23,686	24,336	16,201	14,143	2,914	11
Info. Origination/Termination	7,449	7,428	9,508	17,525	15,691	12
Cable & Wire Facilities	20,019	14,434	36,285	100,363	41,035	13
Total Plant Specific Operations	75,982	71,151	87,619	160,862	92,021	14
Other Plant, Property & Equipment						15
Network Operations	40,753	41,784	40,017	31,623	32,667	16
Access Expense	103	125	1,476	3,819	3,896	17
Depreciation and Amortization	152,321	78,917	78,404	106,226	96,163	18
Total Plant Non-Specific Operations	193,177	120,826	119,897	141,668	132,726	19
Marketing Expense	18,176	23,050	27,232	24,347	25,052	20
Services Expense	17,502	18,493	19,497	21,017	22,579	21
Total Customer Operations	35,678	41,543	46,729	45,364	47,631	22
Executive & Planning	8,272	8,899	10,117	12,700	12,480	23
General & Administrative	83,234	66,556	60,655	62,440	66,074	24
Provision - Uncollectible Notes Rec.						25
Other						26
Total Corporate Operations	91,506	75,455	70,772	75,140	78,554	27
Total Operations Expense	396,343	308,975	325,017	423,034	350,932	28
Other Operating Income & Expenses	(156)					29
State & Local Income Taxes						30
Other Taxes	33,697	24,217	25,731	26,733	25,268	31
<b>Net Operating Income Before FIT</b>	<b>33,755</b>	<b>46,513</b>	<b>(3,888)</b>	<b>(21,274)</b>	<b>68,347</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	45,884	33,212	(3,870)	(1,175)	(32,024)	34
Provision - Def. Operating Income Taxes - Net	(34,205)	(16,913)	2,509	(5,787)	55,986	35
<b>Net Operating Income</b>	<b>\$22,076</b>	<b>\$30,214</b>	<b>(\$2,527)</b>	<b>(\$14,312)</b>	<b>\$44,385</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$22,076	\$30,214	(\$2,527)	(\$14,312)	\$44,385
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	1,001	1,328	3,143	4,755	5,972
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	474	252	254	(35,162)	25,289
46 Total Non-Operating Income & Expenses	527	1,076	2,889	39,917	(19,317)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	411	377	1,018	13,590	(6,751)
48 Other					
49 Total Non-Operating Taxes	411	377	1,018	13,590	(6,751)
50 Income Available Before Interest Charges	22,192	30,913	(656)	12,015	31,819
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense			1	1	
53 Total Interest Charges			1	1	
54 Income Before Extraordinary & Nonreg Items	22,192	30,913	(657)	12,014	31,819
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$22,192	\$30,913	(\$657)	\$12,014	\$31,819
<hr/>					
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$958,076	\$1,358,163	\$1,358,820	\$1,508,806	\$2,083,987
60 Transferred from Income	22,192	30,913	(657)	12,014	31,819
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	123,000	431,000		162,000	607,000
64 Adjustments					
65 Ending Year Balance	857,268	958,076	1,358,163	1,358,820	1,508,806
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$857,268	\$958,076	\$1,358,163	\$1,358,820	\$1,508,806

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$570,105	\$580,121	\$502,331	\$425,289	\$664,902
2 Accounts Receivable (Net)	73,793	62,872	82,479	325,566	133,657
3 Current Deferred Income Taxes					
4 Other Current Assets	129,697	135,538	132,502	112,996	140,479
5 Total Current Assets	773,595	778,531	717,312	863,851	939,037
<b>NON-CURRENT ASSETS</b>					
6 Investments	246,742	228,800	218,385	262,218	
7 Unamortized Debt Issuance Costs					
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	50,438	66,933	81,471		
11 Other Non-Current Assets					
12 Total Non-Current Assets	297,180	295,733	299,856	262,218	
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	4,034,718	4,013,370	4,065,141	3,919,466	4,786,964
14 Less: Accumulated Depr and Amort.	3,786,314	3,727,037	3,692,078	3,521,514	4,266,680
15 Net Regulated Plant	248,405	286,333	373,063	397,953	520,283
16 Total Assets & Other Debits	\$1,319,179	\$1,360,597	\$1,390,232	\$1,524,021	\$1,459,320
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$60,825	\$65,132	\$90,222	\$106,928	\$34,172
18 Notes Payable					
19 Advanced Billings	1,255	6,198	4,587	46,881	3,404
20 Customer Deposits	619	140	662	539	368
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	28,170	28,336	33,157	41,581	36,856
24 Total Current Liabilities	90,868	99,806	128,629	195,929	74,799
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes				143,470	210,889
28 Other Deferred Credits					3,436
29 Other Jurisdictional Differences - Net					
30 Other Liabilities				0	(14,334)
31 Total Other Liab. and Def. Credits				143,470	199,991
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	84,000	84,000	84,000	84,000	84,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	1,144,311	1,176,790	1,177,603	1,100,622	1,100,530
36 Total Stockholder's Equity	1,228,311	1,260,790	1,261,603	1,184,622	1,184,530
37 Total Liab. and Stockholder's Equity	\$1,319,179	\$1,360,597	\$1,390,231	\$1,524,021	\$1,459,320

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$214,093	\$222,614	\$233,054	\$262,775	\$265,087	1
Network Access Services	305,380	342,313	339,034	324,682	363,511	2
Long Distance Network Services	439,040	385,058	420,021	368,699	454,897	3
Miscellaneous Revenues	116,282	160,052	208,701	245,169	231,264	4
Less: Uncollectible Revenues	1,411	1,074	1,201	1,992	1,537	5
<b>Total Operating Revenues</b>	<b>1,073,384</b>	<b>1,108,963</b>	<b>1,199,609</b>	<b>1,199,333</b>	<b>1,313,222</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	9,872	2,466	8,687	9,119	10,353	7
General Support Expenses	88,493	106,475	106,377	215,441	82,316	8
Central Office Switching	106,782	113,558	110,724	168,157	167,543	9
Operator Systems Expense						10
Central Office Transmission	161,556	178,183	182,410	121,843	119,043	11
Info. Origination/Termination	10,405	14,821	23,759	21,387	26,071	12
Cable & Wire Facilities	85,449	79,745	140,053	104,719	133,103	13
<b>Total Plant Specific Operations</b>	<b>462,557</b>	<b>495,247</b>	<b>572,009</b>	<b>640,666</b>	<b>538,430</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	56,508	63,966	57,653	59,294	68,556	16
Access Expense	23,769	21,273	20,544	22,782	17,942	17
Depreciation and Amortization	63,649	58,492	84,018	144,478	237,257	18
<b>Total Plant Non-Specific Operations</b>	<b>143,926</b>	<b>143,731</b>	<b>162,216</b>	<b>226,554</b>	<b>323,755</b>	<b>19</b>
Marketing Expense	578	1,029	1,222	1,312	2,970	20
Services Expense	101,804	106,344	121,181	133,236	159,176	21
<b>Total Customer Operations</b>	<b>102,381</b>	<b>107,373</b>	<b>122,404</b>	<b>134,548</b>	<b>162,146</b>	<b>22</b>
Executive & Planning	85,021	86,134	98,449	96,611	98,082	23
General & Administrative	184,228	191,448	212,695	267,229	264,664	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>269,249</b>	<b>277,581</b>	<b>311,144</b>	<b>363,840</b>	<b>362,746</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>978,114</b>	<b>1,023,932</b>	<b>1,167,773</b>	<b>1,365,607</b>	<b>1,387,077</b>	<b>28</b>
Other Operating Income & Expenses	9,650	1,227	2,365	2,321	1,570	29
State & Local Income Taxes						30
Other Taxes	59,266	62,785	59,564	70,092	67,380	31
<b>Net Operating Income Before FIT</b>	<b>45,654</b>	<b>23,472</b>	<b>(25,363)</b>	<b>(234,044)</b>	<b>(139,665)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	16,476	14,523	(1,179)	(39,466)	4,755	34
Provision - Def. Operating Income Taxes - Net			(5,276)	(31,149)	(57,597)	35
<b>Net Operating Income</b>	<b>\$29,178</b>	<b>\$8,949</b>	<b>(\$18,908)</b>	<b>(\$163,429)</b>	<b>(\$86,823)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$29,178	\$8,949	(\$18,908)	(\$163,429)	(\$86,823)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	2,114	5,235	4,870		
39 Interest Income	300	247	1,341	3,370	5,939
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	17,942	10,415	(43,833)	177,218	
44 Other Non-Operating Income	3,010	17,361			
45 Special Charges	1,021	1,021	1,021	754	754
46 Total Non-Operating Income & Expenses	22,344	32,237	(38,642)	179,834	5,185
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes			(5)	64	572
48 Other					
49 Total Non-Operating Taxes			(5)	64	572
50 Income Available Before Interest Charges	51,522	41,187	(57,545)	16,342	(82,210)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	1		2	(550)	(734)
53 Total Interest Charges	1		2	(550)	(734)
54 Income Before Extraordinary & Nonreg Items	51,521	41,187	(57,547)	16,892	(81,476)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$51,521	\$41,187	(\$57,547)	\$16,892	(\$81,476)

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,032,990	\$1,044,219	\$923,404	\$1,100,530	\$1,224,006
60 Transferred from Income	33,579	30,771	(13,714)	(160,326)	(81,476)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	84,000	42,000	84,000	16,800	42,000
64 Adjustments			(218,529)		
65 Ending Year Balance	982,569	1,032,990	1,044,219	923,404	1,100,530
66 Appropriated/Undistr Affiliate Retained Earnings	161,742	143,800	133,385	177,218	
67 <b>Total Retained Earnings</b>	\$1,144,311	\$1,176,790	\$1,177,604	\$1,100,622	\$1,100,530

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,154,813	\$1,994,724	\$1,662,362	\$2,231,561	\$1,890,240
2 Accounts Receivable (Net)	273,942	470,897	747,583	394,666	336,475
3 Current Deferred Income Taxes					
4 Other Current Assets	45,161	52,192	53,869	41,276	58,077
5 Total Current Assets	2,473,916	2,517,813	2,463,814	2,667,503	2,284,792
<b>NON-CURRENT ASSETS</b>					
6 Investments				14,670	49,878
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	29,612				
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	29,612			14,670	49,878
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	10,693,465	10,680,613	10,730,064	10,301,256	10,234,298
14 Less: Accumulated Depr and Amort.	8,427,267	8,202,587	7,983,003	7,498,539	7,035,781
15 Net Regulated Plant	2,266,198	2,478,026	2,747,061	2,802,717	3,198,517
16 <b>Total Assets &amp; Other Debits</b>	<b>\$4,769,726</b>	<b>\$4,995,839</b>	<b>\$5,210,875</b>	<b>\$5,484,890</b>	<b>\$5,533,187</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$187,909	272,300	\$319,382	\$307,116	\$286,538
18 Notes Payable					
19 Advanced Billings	6,465	5,128	6,032	5,404	5,571
20 Customer Deposits					
21 Current Maturities - Long-Term Debt				5,868	35,532
22 Current Deferred Income Taxes	(7,654)	(7,478)	(7,839)	(13,577)	(11,159)
23 Other Current Liabilities	29,138	110,014	35,546	106,272	32,522
24 Total Current Liabilities	215,858	379,964	353,121	411,083	349,004
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					8,802
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	509,552	470,064	508,180	501,158	571,272
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(92,172)	(73,663)	(48,335)	(46,503)	(47,061)
31 Total Other Liab. and Def. Credits	417,380	396,401	459,845	454,655	524,211
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	60,002	60,002	60,002	60,002	60,002
33 Preferred Stock					
34 Other Paid in Capital	102,086	100,823	91,178	90,616	89,980
35 Retained Earnings	3,974,400	4,058,649	4,246,729	4,468,534	4,501,188
36 Total Stockholder's Equity	4,136,488	4,219,474	4,397,909	4,619,152	4,651,170
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$4,769,726</b>	<b>\$4,995,839</b>	<b>\$5,210,875</b>	<b>\$5,484,890</b>	<b>\$5,533,187</b>

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

INCOME STATEMENT	2014	2013	2012	2011	2010	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	453,217	469,257	\$482,718	\$530,012	\$564,744	1
Network Access Services	755,559	848,849	856,251	895,814	1,040,370	2
Long Distance Network Services						3
Miscellaneous Revenues	723,880	768,125	772,831	737,655	699,728	4
Less: Uncollectible Revenues	27,957	27,707	28,703	22,275	34,029	5
<b>Total Operating Revenues</b>	<b>1,904,699</b>	<b>2,058,524</b>	<b>2,083,097</b>	<b>2,141,206</b>	<b>2,270,813</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	6,729	6,644	8,984	6,147	4,821	7
General Support Expenses	160,266	149,194	130,665	153,090	145,932	8
Central Office Switching	78,802	79,097	61,479	38,647	46,318	9
Operator Systems Expense						10
Central Office Transmission	180,627	242,422	165,109	162,700	156,515	11
Info. Origination/Termination	63,986	82,855	110,736	163,619	131,206	12
Cable & Wire Facilities	174,942	210,098	306,629	292,473	223,454	13
<b>Total Plant Specific Operations</b>	<b>665,352</b>	<b>770,310</b>	<b>783,602</b>	<b>816,676</b>	<b>708,246</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	266,379	266,786	264,726	201,937	200,301	16
Access Expense	33,319	30,276	45,415	46,947	69,405	17
Depreciation and Amortization	332,904	483,535	504,284	551,690	440,866	18
<b>Total Plant Non-Specific Operations</b>	<b>632,602</b>	<b>780,597</b>	<b>814,425</b>	<b>800,574</b>	<b>710,572</b>	<b>19</b>
Marketing Expense	103,639	130,004	151,650	131,631	132,432	20
Services Expense	83,542	99,077	107,142	99,966	122,350	21
<b>Total Customer Operations</b>	<b>187,181</b>	<b>229,081</b>	<b>258,792</b>	<b>231,597</b>	<b>254,782</b>	<b>22</b>
Executive & Planning	59,903	64,871	73,849	81,861	84,090	23
General & Administrative	358,035	378,592	390,361	357,485	362,392	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>417,938</b>	<b>443,463</b>	<b>464,210</b>	<b>439,346</b>	<b>446,482</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,903,073</b>	<b>2,223,451</b>	<b>2,321,029</b>	<b>2,288,193</b>	<b>2,120,082</b>	<b>28</b>
Other Operating Income & Expenses	(554)					29
State & Local Income Taxes						30
Other Taxes	132,416	125,300	112,125	146,300	99,642	31
<b>Net Operating Income Before FIT</b>	<b>(131,344)</b>	<b>(290,227)</b>	<b>(350,057)</b>	<b>(293,287)</b>	<b>51,089</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(80,139)	(58,430)	(134,822)	(33,593)	24,933	34
Provision - Def. Operating Income Taxes - Net	34,351	(42,948)	12,457	(69,050)	(18,527)	35
<b>Net Operating Income</b>	<b>(\$85,556)</b>	<b>(\$188,849)</b>	<b>(\$227,692)</b>	<b>(\$190,644)</b>	<b>\$44,683</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$85,556)	(\$188,849)	(\$227,692)	(\$190,644)	\$44,683
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	3,489	3,021	7,903	9,579	8,330
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)
45 Special Charges	1,536	1,837	1,311	(233,564)	205,916
46 Total Non-Operating Income & Expenses	1,953	1,184	9,057	243,319	(197,601)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	646	415	3,170	85,322	(69,203)
48 Other					
49 Total Non-Operating Taxes	646	415	3,170	85,322	(69,203)
50 Income Available Before Interest Charges	(84,249)	(188,080)	(221,805)	(32,647)	(83,715)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense				7	227
53 Total Interest Charges				7	227
54 Income Before Extraordinary & Nonreg Items	(84,249)	(188,080)	(221,805)	(32,654)	(83,942)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$84,249)	(\$188,080)	(\$221,805)	(\$32,654)	(\$83,942)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$4,058,649	\$4,246,729	\$4,468,534	\$4,501,188	\$4,585,130
60 Transferred from Income	(84,249)	(188,080)	(221,805)	(32,654)	(83,942)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	3,974,400	4,058,649	4,246,729	4,468,534	4,501,188
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$3,974,400	\$4,058,649	\$4,246,729	\$4,468,534	\$4,501,188

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$319,436	\$129,836	\$41,010	\$218,351	\$12,029
2 Accounts Receivable (Net)	121,169	96,664	202,115	240,763	279,605
3 Current Deferred Income Taxes					
4 Other Current Assets	606,004	525,144	475,856	608,929	632,208
5 Total Current Assets	1,046,609	751,644	718,981	1,068,043	923,842
<b>NON-CURRENT ASSETS</b>					
6 Investments	1,133,951	1,096,822	1,065,134	1,036,364	983,318
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	587,734	546,418	481,511		
11 Other Non-Current Assets					
12 Total Non-Current Assets	1,791,390	1,712,945	1,616,350	1,106,069	1,053,023
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	26,156,393	25,683,667	25,491,362	24,862,245	23,254,286
14 Less: Accumulated Depr and Amort.	19,875,474	18,903,703	18,189,773	17,415,001	16,595,785
15 Net Regulated Plant	6,280,919	6,779,964	7,301,589	7,447,244	6,658,501
16 Total Assets & Other Debits	\$9,118,918	\$9,244,553	\$9,636,920	\$9,621,356	\$8,635,366
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$86,465	\$109,620	\$67,845	\$90,218	\$115,080
18 Notes Payable	1,322,648	1,474,993	1,622,842	1,906,574	1,500,000
19 Advanced Billings					
20 Customer Deposits	8,052	8,727	9,147	9,897	11,547
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	152,198	113,095	99,475	2,811	(75,630)
24 Total Current Liabilities	1,569,363	1,706,435	1,799,309	2,009,500	1,550,997
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	676,461	625,437	563,627	980,896	43,547
28 Other Deferred Credits	481,839	435,916	472,587	503,442	539,813
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	1,098,123	1,527,174	1,562,820	1,166,595	1,097,737
31 Total Other Liab. and Def. Credits	2,256,423	2,588,527	2,599,034	2,650,933	1,681,097
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	80,000	80,000	80,000	80,000	80,000
33 Preferred Stock					
34 Other Paid in Capital					
35 Retained Earnings	5,213,132	4,869,591	5,158,577	4,880,923	5,323,272
36 Total Stockholder's Equity	5,293,132	4,949,591	5,238,577	4,960,923	5,403,272
37 Total Liab. and Stockholder's Equity	\$9,118,918	\$9,244,553	\$9,636,920	\$9,621,356	\$8,635,366

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,119,620	\$1,094,716	\$1,180,420	\$1,280,970	\$1,376,189	1
Network Access Services	1,405,141	1,580,320	1,746,445	1,754,703	1,788,707	2
Long Distance Network Services	441,675	339,545	500,327	641,938	590,503	3
Miscellaneous Revenues	1,604,182	1,439,034	1,331,459	1,285,102	1,222,149	4
Less: Uncollectible Revenues	12,321	27,086	(2,017)	37,360	17,144	5
<b>Total Operating Revenues</b>	<b>4,558,297</b>	<b>4,426,529</b>	<b>4,760,668</b>	<b>4,925,353</b>	<b>4,960,404</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	(6,272)	4,933	(404)	2,933		7
General Support Expenses	119,616	188,711	223,096	253,100	300,421	8
Central Office Switching	703,721	854,521	904,380	791,423	528,304	9
Operator Systems Expense						10
Central Office Transmission	57,193	116,631	91,836	79,749	79,341	11
Info. Origination/Termination	404,186	157,845	153,140	190,693	230,654	12
Cable & Wire Facilities	665,472	742,257	700,212	226,038	301,912	13
<b>Total Plant Specific Operations</b>	<b>1,943,916</b>	<b>2,064,898</b>	<b>2,072,260</b>	<b>1,543,936</b>	<b>1,440,632</b>	<b>14</b>
Other Plant, Property & Equipment		42,090	73,159	73,438	73,518	15
Network Operations	305,012	324,948	301,953	345,709	323,478	16
Access Expense	2,178	8,522	7,954	5,298	11,626	17
Depreciation and Amortization	971,771	966,760	895,191	819,216	782,346	18
<b>Total Plant Non-Specific Operations</b>	<b>1,278,961</b>	<b>1,342,320</b>	<b>1,278,257</b>	<b>1,243,661</b>	<b>1,190,968</b>	<b>19</b>
Marketing Expense	27,138	31,620	31,507	28,845	26,346	20
Services Expense	486,868	578,024	552,906	575,970	575,269	21
<b>Total Customer Operations</b>	<b>514,006</b>	<b>609,644</b>	<b>584,413</b>	<b>604,815</b>	<b>601,615</b>	<b>22</b>
Executive & Planning	280,862	292,704	357,229	352,564	314,340	23
General & Administrative	264,501	269,410	408,741	303,730	285,068	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>545,363</b>	<b>562,114</b>	<b>765,970</b>	<b>656,294</b>	<b>599,408</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,282,246</b>	<b>4,578,976</b>	<b>4,700,900</b>	<b>4,048,706</b>	<b>3,832,623</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes						30
Other Taxes	334,977	334,862	309,847	281,720	273,060	31
<b>Net Operating Income Before FIT</b>	<b>(58,926)</b>	<b>(487,309)</b>	<b>(250,079)</b>	<b>594,927</b>	<b>854,721</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(192,575)	(162,533)	(69,261)	57,922	(57,606)	34
Provision - Def. Operating Income Taxes - Net			(348,311)	136,171	284,752	35
<b>Net Operating Income</b>	<b>\$133,649</b>	<b>(\$324,776)</b>	<b>\$167,493</b>	<b>\$400,834</b>	<b>\$627,575</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$133,649	(\$324,776)	\$167,493	\$400,834	\$627,575
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
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	37,129	31,688	28,770	53,046	31,189
44 Other Non-Operating Income					
45 Special Charges	8,300	13,250	4,965	67,800	11,673
46 Total Non-Operating Income & Expenses	28,829	18,438	23,805	(14,754)	19,516
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	162,478	(306,338)	191,298	386,080	647,091
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense	60,350	68,147	76,741	90,239	10,861
53 Total Interest Charges	60,350	68,147	76,741	90,239	10,861
54 Income Before Extraordinary & Nonreg Items	102,128	(374,485)	114,557	295,841	636,230
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$102,128	(\$374,485)	\$114,557	\$295,841	\$636,230
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$3,672,769	\$3,993,443	\$3,744,559	\$4,239,954	\$3,507,336
60 Transferred from Income	64,999	(406,173)	85,787	242,795	605,041
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock			112,000		360,000
64 Adjustments	241,413	85,499	275,097	(738,190)	487,577
65 Ending Year Balance	3,979,181	3,672,769	3,993,443	3,744,559	4,239,954
66 Appropriated/Undistr Affiliate Retained Earnings	1,233,951	1,196,822	1,165,134	1,136,364	1,083,318
67 <b>Total Retained Earnings</b>	\$5,213,132	\$4,869,591	\$5,158,577	\$4,880,923	\$5,323,272

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$900	\$900	\$900	\$1,220	\$1,220
2 Accounts Receivable (Net)	3,728,985	2,888,479	3,137,613	3,050,683	5,696,221
3 Current Deferred Income Taxes	38,056	35,879	64,299	47,442	59,818
4 Other Current Assets	1,179,429	1,344,897	791,502	870,095	805,030
5 Total Current Assets	4,947,370	4,270,155	3,994,314	3,969,440	6,562,289
<b>NON-CURRENT ASSETS</b>					
6 Investments	718,152	496,651	1,368,933	1,629,670	2,932,328
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
11 Other Non-Current Assets	3,132	3,132	3,132	3,132	
12 Total Non-Current Assets	721,284	499,783	1,362,643	1,706,211	3,095,114
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	76,575,630	75,107,338	74,195,348	72,872,974	72,338,568
14 Less: Accumulated Depr and Amort.	56,553,231	54,403,748	53,819,463	51,654,205	51,440,686
15 Net Regulated Plant	20,022,399	20,703,590	20,375,885	21,218,769	20,897,882
16 <b>Total Assets &amp; Other Debits</b>	<b>\$25,691,053</b>	<b>\$25,473,528</b>	<b>\$25,732,842</b>	<b>\$26,894,420</b>	<b>\$30,555,285</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$4,742,327	\$4,870,341	\$4,023,282	\$4,166,127	\$6,533,120
18 Notes Payable					
19 Advanced Billings			6,340	5,511	(7,955)
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes					
23 Other Current Liabilities	563,494	622,551	108,864	151,406	177,465
24 Total Current Liabilities	5,305,821	5,492,892	4,138,486	4,323,044	6,702,630
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,894,805	3,110,618	3,199,333	3,144,521	3,330,678
28 Other Deferred Credits				186,299	484,507
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	42,347	42,756	43,309	(143,732)	844,880
31 Total Other Liab. and Def. Credits	2,937,152	3,153,374	3,242,642	3,187,088	4,660,065
<b>STOCKHOLDER'S EQUITY</b>					
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	15,188,746	14,567,928	16,092,375	17,124,954	16,933,257
36 Total Stockholder's Equity	17,448,080	16,827,262	18,351,709	19,384,288	19,192,590
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$25,691,053</b>	<b>\$25,473,528</b>	<b>\$25,732,837</b>	<b>\$26,894,420</b>	<b>\$30,555,285</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$5,643,015	\$5,569,493	\$5,754,976	\$5,900,350	\$6,291,137	1
Network Access Services	9,063,349	8,230,879	8,495,650	9,076,902	8,913,380	2
Long Distance Network Services	132,133	132,691	132,724	133,286	133,482	3
Miscellaneous Revenues	930,858	970,169	1,085,394	1,502,083	1,303,509	4
Less: Uncollectible Revenues	93,601	(768)	202,309	74,286	167,827	5
<b>Total Operating Revenues</b>	<b>15,675,754</b>	<b>14,904,000</b>	<b>15,266,435</b>	<b>16,538,335</b>	<b>16,473,681</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	2,005	5,503	4,065	5,844	(2,809)	7
General Support Expenses	1,944,353	2,830,984	3,168,046	2,645,567	3,423,789	8
Central Office Switching	689,947	689,680	669,639	656,596	682,378	9
Operator Systems Expense						10
Central Office Transmission	152,600	127,882	74,596	78,379	71,443	11
Info. Origination/Termination						12
Cable & Wire Facilities	2,148,956	2,119,972	2,331,755	2,368,182	1,881,758	13
<b>Total Plant Specific Operations</b>	<b>4,937,861</b>	<b>5,774,021</b>	<b>6,248,101</b>	<b>5,754,568</b>	<b>6,056,559</b>	<b>14</b>
Other Plant, Property & Equipment		(20,000)		876		15
Network Operations	1,688,946	1,524,208	1,302,403	1,397,723	1,498,375	16
Access Expense	591,467	528,832	524,533	549,817	518,956	17
Depreciation and Amortization	2,456,100	2,440,153	2,399,431	3,039,119	2,638,257	18
<b>Total Plant Non-Specific Operations</b>	<b>4,736,513</b>	<b>4,473,193</b>	<b>4,226,367</b>	<b>4,987,535</b>	<b>4,655,588</b>	<b>19</b>
Marketing Expense	257,607	242,617	240,294	355,734	250,263	20
Services Expense	1,244,955	1,402,825	1,487,538	1,711,737	1,788,558	21
<b>Total Customer Operations</b>	<b>1,502,562</b>	<b>1,645,442</b>	<b>1,727,832</b>	<b>2,067,471</b>	<b>2,038,821</b>	<b>22</b>
Executive & Planning	466,623	420,802	549,554	306,032	256,914	23
General & Administrative	1,595,215	1,629,301	1,867,538	1,975,497	1,698,638	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>2,061,838</b>	<b>2,050,103</b>	<b>2,417,092</b>	<b>2,281,529</b>	<b>1,955,552</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>13,238,774</b>	<b>13,942,759</b>	<b>14,619,392</b>	<b>15,091,103</b>	<b>14,706,520</b>	<b>28</b>
Other Operating Income & Expenses						29
State & Local Income Taxes	3,364	1,973	(4,858)	(302)	(1,386)	30
Other Taxes	871,045	815,541	753,362	817,518	855,462	31
<b>Net Operating Income Before FIT</b>	<b>1,562,571</b>	<b>143,727</b>	<b>(101,461)</b>	<b>630,016</b>	<b>913,085</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	649,263	134,772	(467,993)	(14,209)	(46,790)	34
Provision - Def. Operating Income Taxes - Net	(217,990)	(69,717)	120,786	(66,071)	42,874	35
<b>Net Operating Income</b>	<b>\$1,131,298</b>	<b>\$78,672</b>	<b>\$245,746</b>	<b>\$710,296</b>	<b>\$917,001</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$1,131,298	\$78,672	\$245,746	\$710,296	\$917,001
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
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	1,890,501	1,084,718	1,179,263	1,531,342	1,542,368
44 Other Non-Operating Income					
45 Special Charges				900	92
46 Total Non-Operating Income & Expenses	1,890,501	1,084,718	1,179,263	1,530,442	1,542,276
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	73,896	433,180	137,218	33,112	516,845
48 Other	99,765	83,350	83,351	(74,609)	125,801
49 Total Non-Operating Taxes	173,661	516,530	220,569	(41,497)	642,646
50 Income Available Before Interest Charges	2,848,138	646,860	1,204,440	2,282,235	1,816,631
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense			1,119	17,570	38,161
53 Total Interest Charges			1,119	17,570	38,161
54 Income Before Extraordinary & Nonreg Items	2,848,138	646,860	1,203,321	2,264,665	1,778,470
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues	1,741,181	1,834,404	895,363	738,375	2,186,090
57 Total Extraordinary & Nonregulated Items	1,741,181	1,834,404	895,363	738,375	2,186,090
58 <b>Net Income</b>	<b>\$4,589,319</b>	<b>\$2,481,264</b>	<b>\$2,098,684</b>	<b>\$3,003,040</b>	<b>\$3,964,560</b>
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<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$14,567,924	\$16,092,375	\$17,124,954	\$16,933,257	\$17,578,064
60 Transferred from Income	2,698,818	1,396,546	919,421	1,471,698	2,422,192
61 Appropriations				1,134,454	2,921,454
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments	(145,546)	(145,546)	(145,546)	(145,546)	(145,545)
65 Ending Year Balance	17,121,196	17,343,375	17,898,829	17,124,954	16,933,257
66 Appropriated/Undistr Affiliate Retained Earnings	(1,932,454)	(2,775,448)	(1,806,454)		
67 <b>Total Retained Earnings</b>	<b>\$15,188,746</b>	<b>\$14,567,924</b>	<b>\$16,092,375</b>	<b>\$17,124,954</b>	<b>\$16,933,257</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$1,297,324	\$1,362,651	\$1,095,449	\$1,030,522	\$3,002,866
2 Accounts Receivable (Net)	249,255	306,409	447,892	429,711	332,720
3 Current Deferred Income Taxes					
4 Other Current Assets	48,290	53,248	57,087	68,498	63,238
5 Total Current Assets	1,594,869	1,722,308	1,600,428	1,528,731	3,398,824
<b>NON-CURRENT ASSETS</b>					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	28,923	(235)	50		
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	28,923	(235)	50		
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	18,496,750	18,532,924	18,408,210	18,266,906	17,883,607
14 Less: Accumulated Depr and Amort.	13,530,404	12,939,472	12,276,132	11,617,643	11,030,958
15 Net Regulated Plant	4,966,346	5,593,452	6,132,078	6,649,263	6,852,649
16 <b>Total Assets &amp; Other Debits</b>	<b>\$6,590,138</b>	<b>\$7,315,525</b>	<b>\$7,732,556</b>	<b>\$8,177,994</b>	<b>\$10,251,473</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$224,792	\$330,215	\$300,247	\$328,592	\$332,634
18 Notes Payable					
19 Advanced Billings	66,858	63,478	66,090	67,786	65,796
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					855
22 Current Deferred Income Taxes	(3,244)	(3,541)	(2,716)	(9,397)	(3,575)
23 Other Current Liabilities	102,343	149,189	88,225	85,890	118,833
24 Total Current Liabilities	390,749	539,341	451,846	472,871	514,543
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	1,247,734	1,383,864	1,497,972	1,488,961	1,419,711
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	176,241	185,907	216,596	213,864	427,765
31 Total Other Liab. and Def. Credits	1,423,975	1,569,771	1,714,568	1,702,825	1,847,476
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	10,000	10,000	10,000	10,000	10,000
33 Preferred Stock					
34 Other Paid in Capital	3,690,783	3,698,434	3,688,859	3,689,759	3,613,927
35 Retained Earnings	1,074,631	1,497,979	1,867,283	2,302,539	4,265,527
36 Total Stockholder's Equity	4,775,414	5,206,413	5,566,142	6,002,298	7,889,454
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$6,590,138</b>	<b>\$7,315,525</b>	<b>\$7,732,556</b>	<b>\$8,177,994</b>	<b>\$10,251,473</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$526,239	\$573,923	\$604,581	\$679,011	\$752,831	1
Network Access Services	1,219,705	1,351,974	1,462,416	1,516,745	1,518,030	2
Long Distance Network Services						3
Miscellaneous Revenues	589,297	614,403	648,621	652,996	602,803	4
Less: Uncollectible Revenues	2,055	7,836	3,042	7,014	18,615	5
<b>Total Operating Revenues</b>	<b>2,333,186</b>	<b>2,532,464</b>	<b>2,712,576</b>	<b>2,841,738</b>	<b>2,855,049</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	5,123	3,662	6,878	9,247	8,711	7
General Support Expenses	211,885	180,178	190,425	193,003	194,170	8
Central Office Switching	111,064	120,705	141,411	157,583	129,530	9
Operator Systems Expense						10
Central Office Transmission	159,367	220,066	152,210	143,997	139,644	11
Info. Origination/Termination	75,412	70,944	81,925	148,723	149,873	12
Cable & Wire Facilities	292,455	258,957	421,451	298,221	265,715	13
<b>Total Plant Specific Operations</b>	<b>855,306</b>	<b>854,512</b>	<b>994,300</b>	<b>950,774</b>	<b>887,643</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	351,466	345,934	352,015	306,268	321,099	16
Access Expense	35,730	30,183	45,946	43,183	71,198	17
Depreciation and Amortization	805,702	795,482	791,323	779,230	633,673	18
<b>Total Plant Non-Specific Operations</b>	<b>1,192,898</b>	<b>1,171,599</b>	<b>1,189,284</b>	<b>1,128,681</b>	<b>1,025,970</b>	<b>19</b>
Marketing Expense	135,871	178,195	211,700	192,186	200,460	20
Services Expense	114,018	132,492	148,398	147,807	174,264	21
<b>Total Customer Operations</b>	<b>249,889</b>	<b>310,687</b>	<b>360,098</b>	<b>339,993</b>	<b>374,724</b>	<b>22</b>
Executive & Planning	75,139	83,766	94,950	100,963	100,031	23
General & Administrative	483,971	536,756	579,949	424,287	552,598	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>559,110</b>	<b>620,522</b>	<b>674,899</b>	<b>525,250</b>	<b>652,629</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>2,857,203</b>	<b>2,957,320</b>	<b>3,218,581</b>	<b>2,944,698</b>	<b>2,940,966</b>	<b>28</b>
Other Operating Income & Expenses	(1,273)	5,450			(245)	29
State & Local Income Taxes						30
Other Taxes	125,655	148,117	165,637	164,142	163,901	31
<b>Net Operating Income Before FIT</b>	<b>(650,945)</b>	<b>(567,523)</b>	<b>(671,642)</b>	<b>(267,102)</b>	<b>(250,063)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	(93,222)	(78,478)	(251,094)	(107,947)	124,289	34
Provision - Def. Operating Income Taxes - Net	(134,070)	(120,088)	16,176	15,031	(211,759)	35
<b>Net Operating Income</b>	<b>(\$423,653)</b>	<b>(\$368,957)</b>	<b>(\$436,724)</b>	<b>(\$174,186)</b>	<b>(\$162,593)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$423,653)	(\$368,957)	(\$436,724)	(\$174,186)	(\$162,593)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	1,752	1,348	4,132	15,222	17,625
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	1,980	1,882	1,873	(863,219)	855,739
46 Total Non-Operating Income & Expenses	(228)	(534)	2,259	878,441	(838,114)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	(533)	(187)	791	307,152	(293,339)
48 Other					
49 Total Non-Operating Taxes	(533)	(187)	791	307,152	(293,339)
50 Income Available Before Interest Charges	(423,348)	(369,304)	(435,256)	397,103	(707,368)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense				91	144
53 Total Interest Charges				91	144
54 Income Before Extraordinary & Nonreg Items	(423,348)	(369,304)	(435,256)	397,012	(707,512)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	(\$423,348)	(\$369,304)	(\$435,256)	\$397,012	(\$707,512)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$1,497,979	\$1,867,283	\$2,302,539	\$4,265,527	\$4,973,039
60 Transferred from Income	(423,348)	(369,304)	(435,256)	397,012	(707,512)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock				2,360,000	
64 Adjustments					
65 Ending Year Balance	1,074,631	1,497,979	1,867,283	2,302,539	4,265,527
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	\$1,074,631	\$1,497,979	\$1,867,283	\$2,302,539	\$4,265,527

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,265,902	\$1,962,665	\$1,560,297	\$1,372,288	\$1,305,928
2 Accounts Receivable (Net)	3,854,051	2,423,451	2,494,278	3,538,226	2,669,528
3 Current Deferred Income Taxes					
4 Other Current Assets	2,352,337	1,615,324	1,489,308	1,594,802	798,627
5 Total Current Assets	8,472,290	6,001,440	5,543,883	6,505,316	4,774,083
<b>NON-CURRENT ASSETS</b>					
6 Investments	4,175,978	3,442,436	3,237,699	3,296,910	3,743,466
7 Unamortized Debt Issuance Costs				2,400	4,800
8 Deferred Charges					
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes	433,399	420,154	353,646	404,395	320,074
11 Other Non-Current Assets	1,536,076	1,556,087	2,212,029	2,196,702	2,312,740
12 Total Non-Current Assets	6,145,453	5,418,677	5,803,374	5,900,407	6,381,080
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	23,919,030	24,270,905	25,277,835	24,189,786	25,797,237
14 Less: Accumulated Depr and Amort.	15,301,240	15,068,377	15,504,841	14,478,120	15,836,462
15 Net Regulated Plant	8,617,790	9,202,528	9,772,994	9,711,667	9,960,775
16 <b>Total Assets &amp; Other Debits</b>	<b>\$23,235,533</b>	<b>\$20,622,645</b>	<b>\$21,120,251</b>	<b>\$22,117,390</b>	<b>\$21,115,938</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$3,318,177	\$1,220,509	\$1,687,081	\$2,638,597	\$1,625,791
18 Notes Payable	420,444	387,867	249,213	317,196	345,460
19 Advanced Billings	376,401	396,841	417,277	437,713	458,149
20 Customer Deposits					
21 Current Maturities - Long-Term Debt	299,235	299,235	299,235	299,235	299,235
22 Current Deferred Income Taxes					
23 Other Current Liabilities	1,322,264	890,351	954,089	834,364	889,042
24 Total Current Liabilities	5,736,521	3,194,803	3,606,896	4,527,105	3,617,677
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	99,741	498,721	797,956	1,196,936	1,595,916
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	2,145,072	2,351,455	2,361,402	2,338,201	2,197,183
28 Other Deferred Credits	223,965	231,953	266,159	263,591	276,482
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	250,761	309,143	310,292	313,285	321,990
31 Total Other Liab. and Def. Credits	2,619,798	2,892,551	2,937,853	2,915,077	2,795,655
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock	240,000	240,000	240,000	240,000	240,000
33 Preferred Stock					
34 Other Paid in Capital	(1,845,425)	(1,699,331)	(1,877,056)	(2,050,975)	(2,014,959)
35 Retained Earnings	16,384,899	15,495,901	15,414,602	15,289,247	14,881,648
36 Total Stockholder's Equity	14,779,474	14,036,570	13,777,546	13,478,272	13,106,689
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$23,235,533</b>	<b>\$20,622,645</b>	<b>\$21,120,251</b>	<b>\$22,117,390</b>	<b>\$21,115,938</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$1,159,633	\$1,188,466	\$1,289,546	\$1,400,284	\$1,493,827	1
Network Access Services	2,657,609	2,646,265	2,622,644	3,086,454	2,980,156	2
Long Distance Network Services						3
Miscellaneous Revenues	1,057,225	971,625	1,089,270	989,240	936,810	4
Less: Uncollectible Revenues	19,893	6,856	13,025	19,254	24,450	5
<b>Total Operating Revenues</b>	<b>4,854,574</b>	<b>4,799,500</b>	<b>4,988,435</b>	<b>5,456,724</b>	<b>5,386,343</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	5,107	12,427	6,145	9,797	5,935	7
General Support Expenses	662,944	652,087	553,141	545,558	532,712	8
Central Office Switching	349,321	404,255	400,582	410,225	399,403	9
Operator Systems Expense						10
Central Office Transmission	120,946	139,074	92,825	130,498	123,954	11
Info. Origination/Termination	123,603	107,296	140,715	136,674	150,864	12
Cable & Wire Facilities	(122,334)	141,995	37,657	294,363	262,623	13
<b>Total Plant Specific Operations</b>	<b>1,139,587</b>	<b>1,457,134</b>	<b>1,231,065</b>	<b>1,527,115</b>	<b>1,475,491</b>	<b>14</b>
Other Plant, Property & Equipment	(879)	(1,904)	1,242	1,226	587	15
Network Operations	371,292	298,335	273,149	351,432	369,865	16
Access Expense	201,771	164,887	164,951	148,546	131,071	17
Depreciation and Amortization	1,149,196	1,134,148	1,121,429	1,116,781	1,108,670	18
<b>Total Plant Non-Specific Operations</b>	<b>1,721,380</b>	<b>1,595,466</b>	<b>1,560,770</b>	<b>1,617,985</b>	<b>1,610,193</b>	<b>19</b>
Marketing Expense	81,631	72,056	66,180	67,231	82,675	20
Services Expense	324,927	300,254	359,679	368,691	381,051	21
<b>Total Customer Operations</b>	<b>406,558</b>	<b>372,310</b>	<b>425,859</b>	<b>435,922</b>	<b>463,726</b>	<b>22</b>
Executive & Planning	523,373	458,739	412,802	379,826	436,073	23
General & Administrative	996,786	976,432	898,282	885,837	848,766	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>1,520,159</b>	<b>1,435,171</b>	<b>1,311,084</b>	<b>1,265,663</b>	<b>1,284,839</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>4,787,684</b>	<b>4,860,081</b>	<b>4,528,778</b>	<b>4,846,685</b>	<b>4,834,249</b>	<b>28</b>
Other Operating Income & Expenses		391	2,832			29
State & Local Income Taxes						30
Other Taxes	273,279	238,771	251,187	283,406	287,643	31
<b>Net Operating Income Before FIT</b>	<b>(206,389)</b>	<b>(298,961)</b>	<b>211,302</b>	<b>326,633</b>	<b>264,451</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	32,682	(27,757)	24,434	(3,856)	46,418	34
Provision - Def. Operating Income Taxes - Net	(99,584)	(74,075)	24,369	88,378	(2,246)	35
<b>Net Operating Income</b>	<b>(\$139,487)</b>	<b>(\$197,130)</b>	<b>\$162,499</b>	<b>\$242,111</b>	<b>\$220,279</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	(\$139,487)	(\$197,130)	\$162,499	\$242,111	\$220,279
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income	2,278	16,705	17,940	20,276	22,910
39 Interest Income	10,615	37,579	36,734	38,758	42,126
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction	3,786	16,217	22,159	17,983	6,295
42 Gains/Losses - Disposal of Property					
43 Equity in Earnings of Affiliated Companies	746,191	60,371	(59,212)	209,116	359,322
44 Other Non-Operating Income	525,414	298,620	131,088	96,144	92,746
45 Special Charges	12,639	38,937	765	24,135	14,692
46 Total Non-Operating Income & Expenses	1,275,645	390,555	147,944	358,142	508,707
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	156,968	122,143	53,147	39,914	83,768
48 Other					
49 Total Non-Operating Taxes	156,968	122,143	53,147	39,914	83,768
50 Income Available Before Interest Charges	979,190	71,282	257,296	560,339	645,218
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt	16,254	28,042	60,770	83,136	108,747
52 Other Interest Expense	14,569	9,189	11,520	15,459	20,239
53 Total Interest Charges	30,823	37,231	72,290	98,595	128,986
54 Income Before Extraordinary & Nonreg Items	948,367	34,051	185,006	461,744	516,232
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	<b>\$948,367</b>	<b>\$34,051</b>	<b>\$185,006</b>	<b>\$461,744</b>	<b>\$516,232</b>

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**RETAINED EARNINGS STATEMENT**

Unappropriated Retained Earnings:					
59 Beginning Year Balance	\$15,912,915	\$15,831,616	\$15,706,261	\$15,298,662	\$14,836,247
60 Transferred from Income	202,176	(26,320)	244,218	461,745	516,232
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock	59,370	59,504	59,651	54,146	53,818
64 Adjustments	746,191	167,123	59,212		
65 Ending Year Balance	16,801,912	15,912,915	15,831,616	15,706,261	15,298,662
66 Appropriated/Undistr Affiliate Retained Earnings	(417,013)	(417,014)	(417,014)	(417,014)	(417,014)
67 <b>Total Retained Earnings</b>	<b>\$16,384,899</b>	<b>\$15,495,901</b>	<b>\$15,414,602</b>	<b>\$15,289,247</b>	<b>\$14,881,648</b>

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$2,474,351	\$2,412,274	\$2,209,355	\$2,064,564	\$1,818,230
2 Accounts Receivable (Net)	183,677	135,925	169,859	199,894	164,182
3 Current Deferred Income Taxes					
4 Other Current Assets	33,769	38,800	41,371	40,105	39,945
5 Total Current Assets	2,691,797	2,586,999	2,420,585	2,304,563	2,022,357
<b>NON-CURRENT ASSETS</b>					
6 Investments					
7 Unamortized Debt Issuance Costs					
8 Deferred Charges	26,366	42,701			
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes					
11 Other Non-Current Assets					
12 Total Non-Current Assets	26,366	42,701			
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	10,292,496	10,258,373	10,237,273	10,297,687	10,031,679
14 Less: Accumulated Depr and Amort.	6,929,044	6,682,888	6,455,172	6,335,403	5,915,780
15 Net Regulated Plant	3,363,452	3,575,485	3,782,101	3,962,284	4,115,899
16 <b>Total Assets &amp; Other Debits</b>	<b>\$6,081,615</b>	<b>\$6,205,185</b>	<b>\$6,202,686</b>	<b>\$6,266,847</b>	<b>\$6,138,256</b>
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$100,006	\$177,425	\$182,835	\$285,105	\$215,609
18 Notes Payable					
19 Advanced Billings	20,773	19,811	20,330	20,100	20,450
20 Customer Deposits					
21 Current Maturities - Long-Term Debt					
22 Current Deferred Income Taxes	(3,230)	(2,829)	(2,444)	(7,595)	(2,866)
23 Other Current Liabilities	106,723	113,907	28,921	34,890	40,566
24 Total Current Liabilities	224,272	308,314	229,642	332,500	273,759
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes	901,680	934,169	961,267	945,615	922,381
28 Other Deferred Credits					
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	(183,510)	(152,390)	(104,477)	(93,808)	(102,721)
31 Total Other Liab. and Def. Credits	718,170	781,779	856,790	851,807	819,660
<b>STOCKHOLDER'S EQUITY</b>					
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	2,858,489	2,853,672	2,829,656	2,834,069	2,838,758
35 Retained Earnings	(119,316)	(138,580)	(113,402)	(151,529)	(193,921)
36 Total Stockholder's Equity	5,139,173	5,115,092	5,116,254	5,082,540	5,044,837
37 <b>Total Liab. and Stockholder's Equity</b>	<b>\$6,081,615</b>	<b>\$6,205,185</b>	<b>\$6,202,686</b>	<b>\$6,266,847</b>	<b>\$6,138,256</b>

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$485,115	\$543,297	\$573,141	\$621,786	\$656,073	1
Network Access Services	888,849	642,211	762,882	717,192	700,400	2
Long Distance Network Services						3
Miscellaneous Revenues	352,988	391,103	382,495	382,640	361,918	4
Less: Uncollectible Revenues	5,922	4,176	12,960	4,675	13,683	5
<b>Total Operating Revenues</b>	<b>1,721,030</b>	<b>1,572,435</b>	<b>1,705,558</b>	<b>1,716,943</b>	<b>1,704,708</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses	12,219	13,223	12,225	9,863	6,352	7
General Support Expenses	121,470	109,586	107,327	116,762	100,122	8
Central Office Switching	62,170	64,941	64,475	74,020	80,527	9
Operator Systems Expense						10
Central Office Transmission	77,571	102,373	74,992	89,030	58,765	11
Info. Origination/Termination	27,839	27,148	34,008	70,743	77,447	12
Cable & Wire Facilities	166,786	147,342	177,973	214,213	158,988	13
<b>Total Plant Specific Operations</b>	<b>468,055</b>	<b>464,613</b>	<b>471,000</b>	<b>574,631</b>	<b>482,201</b>	<b>14</b>
Other Plant, Property & Equipment						15
Network Operations	245,106	226,202	211,062	167,742	156,736	16
Access Expense	29,835	25,386	32,762	31,809	48,221	17
Depreciation and Amortization	405,636	343,539	351,814	404,278	381,182	18
<b>Total Plant Non-Specific Operations</b>	<b>680,577</b>	<b>595,127</b>	<b>595,638</b>	<b>603,829</b>	<b>586,139</b>	<b>19</b>
Marketing Expense	87,922	104,672	117,769	102,025	101,216	20
Services Expense	70,895	79,293	82,788	82,845	94,609	21
<b>Total Customer Operations</b>	<b>158,817</b>	<b>183,965</b>	<b>200,557</b>	<b>184,870</b>	<b>195,825</b>	<b>22</b>
Executive & Planning	41,296	48,824	48,970	56,961	52,598	23
General & Administrative	259,405	245,945	260,589	262,473	269,814	24
Provision - Uncollectible Notes Rec.						25
Other						26
<b>Total Corporate Operations</b>	<b>300,701</b>	<b>294,769</b>	<b>309,559</b>	<b>319,434</b>	<b>322,412</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>1,608,150</b>	<b>1,538,474</b>	<b>1,576,754</b>	<b>1,682,764</b>	<b>1,586,577</b>	<b>28</b>
Other Operating Income & Expenses	(516)	2,632		1,086		29
State & Local Income Taxes						30
Other Taxes	85,175	77,348	77,874	85,469	81,438	31
<b>Net Operating Income Before FIT</b>	<b>27,189</b>	<b>(40,755)</b>	<b>50,930</b>	<b>(50,204)</b>	<b>36,693</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes	53,986	26,229	(5,219)	(47,429)	55,677	34
Provision - Def. Operating Income Taxes - Net	(44,315)	(40,416)	23,182	30,017	(42,680)	35
<b>Net Operating Income</b>	<b>\$17,518</b>	<b>(\$26,568)</b>	<b>\$32,967</b>	<b>(\$32,792)</b>	<b>\$23,696</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$17,518	(\$26,568)	\$32,967	(\$32,792)	\$23,696
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income	3,902	3,135	8,925	9,002	8,927
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	(48)				(15)
45 Special Charges	1,168	997	986	(106,655)	133,268
46 Total Non-Operating Income & Expenses	2,686	2,138	7,939	115,657	(124,356)
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes	940	748	2,779	40,469	(43,524)
48 Other					
49 Total Non-Operating Taxes	940	748	2,779	40,469	(43,524)
50 Income Available Before Interest Charges	19,264	(25,178)	38,127	42,396	(57,136)
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt					
52 Other Interest Expense				4	23
53 Total Interest Charges				4	23
54 Income Before Extraordinary & Nonreg Items	19,264	(25,178)	38,127	42,392	(57,159)
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$19,264	(\$25,178)	\$38,127	\$42,392	(\$57,159)
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$138,580)	(\$113,402)	(\$151,529)	(\$193,921)	(\$136,762)
60 Transferred from Income	19,264	(25,178)	38,127	42,392	(57,159)
61 Appropriations					
Dividends Declared:					
62 Preferred Stock					
63 Common Stock					
64 Adjustments					
65 Ending Year Balance	(119,316)	(138,580)	(113,402)	(151,529)	(193,921)
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	(\$119,316)	(\$138,580)	(\$113,402)	(\$151,529)	(\$193,921)

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

	2014	2013	2012	2011	2010
<b>CURRENT ASSETS</b>					
1 Cash and Temporary Cash Investments	\$1,355,384	\$893,956	\$705,000	\$4,339,461	\$13,333,379
2 Accounts Receivable (Net)	59,790,465	53,162,157	53,459,859	49,502,807	33,064,219
3 Current Deferred Income Taxes					
4 Other Current Assets	259,783	377,637	601,178	931,681	979,468
5 Total Current Assets	61,405,631	54,433,750	54,766,037	54,773,949	47,377,066
<b>NON-CURRENT ASSETS</b>					
6 Investments				(1,773,288)	5,901,458
7 Unamortized Debt Issuance Costs				44,715	20,628
8 Deferred Charges			1,397,847	1,223,427	943,179
9 Other Jurisdictional Assets - Net					
10 Non-Current Deferred Income Taxes				366,056	(77,134)
11 Other Non-Current Assets	274,979	274,979	274,979	2,251,558	4,342,882
12 Total Non-Current Assets	274,979	274,979	1,672,826	2,112,468	11,131,013
<b>REGULATED PLANT</b>					
13 Total Telecommunications Plant	74,548,701	74,228,456	74,688,849	73,284,019	71,361,928
14 Less: Accumulated Depr and Amort.	59,211,875	56,024,158	53,578,072	50,576,212	46,882,002
15 Net Regulated Plant	15,336,826	18,204,298	21,110,777	22,707,807	24,479,926
16 Total Assets & Other Debits	\$77,017,437	\$72,913,027	\$77,549,640	\$79,594,224	\$82,988,005
<b>CURRENT LIABILITIES</b>					
17 Accounts Payable	\$47,920,723	\$47,237,504	\$45,705,044	\$31,906,723	\$31,197,145
18 Notes Payable				5,600,000	
19 Advanced Billings	274,030	297,937	331,380	331,528	332,497
20 Customer Deposits	8,762	15,204	30,219	32,376	45,818
21 Current Maturities - Long-Term Debt				1,138,974	1,518,633
22 Current Deferred Income Taxes					
23 Other Current Liabilities	2,109,554	1,370,344	1,289,811	4,466,913	5,071,101
24 Total Current Liabilities	50,313,069	48,920,989	47,356,454	43,476,514	38,165,194
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					1,138,974
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>					
26 Unamortized ITC					
27 Non-Current Deferred Taxes				(234,808)	607,253
28 Other Deferred Credits	234,775	234,775	234,775	234,775	234,775
29 Other Jurisdictional Differences - Net					
30 Other Liabilities	8,874,662	6,007,033	8,094,819	9,914,990	6,554,035
31 Total Other Liab. and Def. Credits	9,109,437	6,241,808	8,329,594	9,914,957	7,396,063
<b>STOCKHOLDER'S EQUITY</b>					
32 Common Stock				62,188	59,975
33 Preferred Stock				500,000	500,000
34 Other Paid in Capital	17,716,956	18,127,623	22,120,379	(71,191)	(706,199)
35 Retained Earnings	(122,025)	(377,393)	(256,787)	25,711,756	36,433,998
36 Total Stockholder's Equity	17,594,931	17,750,230	21,863,592	26,202,753	36,287,774
37 Total Liab. and Stockholder's Equity	\$77,017,437	\$72,913,027	\$77,549,640	\$79,594,224	\$82,988,005

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

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
<b>TELEPHONE OPERATING REVENUES</b>						
Local Network Services	\$3,021,980	\$3,057,576	\$3,090,653	\$3,061,579	\$2,875,748	1
Network Access Services	7,213,999	7,845,008	8,262,437	8,169,999	9,774,813	2
Long Distance Network Services	127,757	155,790	62,956	229,576	232,061	3
Miscellaneous Revenues	2,184,545	2,367,676	2,496,340	2,812,638	2,986,327	4
Less: Uncollectible Revenues	8,716	(245,602)	365,000	165,000	242,500	5
<b>Total Operating Revenues</b>	<b>12,539,565</b>	<b>13,671,651</b>	<b>13,547,386</b>	<b>14,108,792</b>	<b>15,626,449</b>	<b>6</b>
<b>TELEPHONE OPERATING EXPENSES</b>						
Network Support Expenses			5,078			7
General Support Expenses	325,020	252,455	476,042	413,200	568,732	8
Central Office Switching	229,082	284,459	571,620	415,925	473,539	9
Operator Systems Expense						10
Central Office Transmission	1,186,052	944,719	979,227	1,180,593	1,538,482	11
Info. Origination/Termination	612,969	715,947	787,135	1,023,343	1,000,452	12
Cable & Wire Facilities	359,923	441,605	523,043	433,695	334,528	13
<b>Total Plant Specific Operations</b>	<b>2,713,046</b>	<b>2,639,185</b>	<b>3,342,145</b>	<b>3,466,756</b>	<b>3,915,733</b>	<b>14</b>
Other Plant, Property & Equipment			14,255			15
Network Operations	651,412	578,853	623,630	666,205	888,670	16
Access Expense		50,544	71,792	86,449		17
Depreciation and Amortization	3,187,715	3,199,292	3,283,309	3,769,571	4,067,126	18
<b>Total Plant Non-Specific Operations</b>	<b>3,839,127</b>	<b>3,828,689</b>	<b>3,992,986</b>	<b>4,522,225</b>	<b>4,955,796</b>	<b>19</b>
Marketing Expense	216,657	346,564	447,523	1,009,146	1,424,758	20
Services Expense	1,002,553	1,280,090	1,938,519	2,400,099	2,594,317	21
<b>Total Customer Operations</b>	<b>1,219,210</b>	<b>1,626,654</b>	<b>2,386,042</b>	<b>3,409,245</b>	<b>4,019,075</b>	<b>22</b>
Executive & Planning	77,607	383,446	1,814,610	1,415,596	1,484,842	23
General & Administrative	3,327,617	4,149,315	5,206,143	4,770,990	3,121,980	24
Provision - Uncollectible Notes Rec.						25
Other				40,142		26
<b>Total Corporate Operations</b>	<b>3,405,225</b>	<b>4,532,761</b>	<b>7,020,753</b>	<b>6,226,728</b>	<b>4,606,822</b>	<b>27</b>
<b>Total Operations Expense</b>	<b>11,176,608</b>	<b>12,627,289</b>	<b>16,741,926</b>	<b>17,624,954</b>	<b>17,497,426</b>	<b>28</b>
Other Operating Income & Expenses		1,928		(85,137)	8,912	29
State & Local Income Taxes						30
Other Taxes	1,169,275	1,169,540	1,191,372	1,034,840	1,088,358	31
<b>Net Operating Income Before FIT</b>	<b>193,682</b>	<b>(123,250)</b>	<b>(4,385,912)</b>	<b>(4,636,139)</b>	<b>(2,950,423)</b>	<b>32</b>
Investment Tax Credits - Net						33
Federal Income Taxes			926,993	833,430	3,117,273	34
Provision - Def. Operating Income Taxes - Net						35
<b>Net Operating Income</b>	<b>\$193,682</b>	<b>(\$123,250)</b>	<b>(\$5,312,905)</b>	<b>(\$5,469,569)</b>	<b>(\$6,067,696)</b>	<b>36</b>

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

	2014	2013	2012	2011	2010
37 <b>Net Operating Income</b>	\$193,682	(\$123,250)	(\$5,312,905)	(\$5,469,569)	(\$6,067,696)
<b>NON-OPERATING INCOME &amp; EXPENSES</b>					
38 Dividend Income					
39 Interest Income			2,709	98,156	132,512
40 Income - Sinking and Other Funds					
41 Allowance for Funds Used During Construction					
42 Gains/Losses - Disposal of Property	17,671	40,548	59,723	77,594	143,261
43 Equity in Earnings of Affiliated Companies			(5,163,008)	(4,075,338)	(3,241,114)
44 Other Non-Operating Income			8,860,281	7,930,786	12,616,060
45 Special Charges	162,405	37,456	(838,645)	(1,131,423)	428,210
46 Total Non-Operating Income & Expenses	(144,734)	3,092	4,598,350	2,899,775	9,222,509
<b>NON-OPERATING TAXES</b>					
47 Federal Income Taxes					
48 Other					
49 Total Non-Operating Taxes					
50 Income Available Before Interest Charges	48,948	(120,158)	(714,555)	(2,569,794)	3,154,813
<b>INTEREST CHARGES</b>					
51 Interest on Funded Debt			10,080	161,933	99,231
52 Other Interest Expense	112	448	342,963	580	666
53 Total Interest Charges	112	448	353,043	162,513	99,897
54 Income Before Extraordinary & Nonreg Items	48,836	(120,606)	(1,067,598)	(2,732,307)	3,054,916
<b>EXTRAORDINARY &amp; NONREG ITEMS</b>					
55 Extraordinary Items					
56 Nonregulated Revenues					
57 Total Extraordinary & Nonregulated Items					
58 <b>Net Income</b>	\$48,836	(\$120,606)	(\$1,067,598)	(\$2,732,307)	\$3,054,916
<b>RETAINED EARNINGS STATEMENT</b>					
Unappropriated Retained Earnings:					
59 Beginning Year Balance	(\$377,393)	(\$256,787)	\$25,711,756	\$36,433,998	\$37,795,488
60 Transferred from Income	48,836	(120,606)	(1,067,598)	(2,732,307)	3,036,167
61 Appropriations					
Dividends Declared:					
62 Preferred Stock				25,000	25,000
63 Common Stock				5,769,890	5,198,512
64 Adjustments	206,532		24,900,945	2,195,045	825,855
65 Ending Year Balance	(122,025)	(377,393)	(256,787)	25,711,756	36,433,998
66 Appropriated/Undistr Affiliate Retained Earnings					
67 <b>Total Retained Earnings</b>	(\$122,025)	(\$377,393)	(\$256,787)	\$25,711,756	\$36,433,998