

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$1,726,068)	\$757,556	(\$1,709,771)	(\$1,589,252)	(\$1,410,130)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,181,252	1,141,433	1,298,380	1,366,019	1,368,157	2
Changes in Deferred Income Taxes	(685,884)	1,216,280	(401,205)	(373,433)	95,139	3
Changes in Working Capital	41,979	445,570	(27,136)	(190,921)	5,696	4
Capitalized AFDC - Equity	(35)	(86)	(74)	(39)	(13)	5
Other	1,540,598	(2,455,137)	763,601	1,339,989	1,459,585	6
Total Non-Cash Items	2,077,910	348,060	1,633,566	2,141,615	2,928,564	7
Net Cash Provided From Operating Activities	<u>351,843</u>	<u>1,105,617</u>	<u>(76,205)</u>	<u>552,364</u>	<u>1,518,434</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,161,966)	(1,164,744)	(1,188,283)	(1,189,477)	(1,266,733)	9
Purchase of Other Investments	(186,912)	213,495	(422,695)	193,309	44,144	10
Sale of Other Investments	68,588	408,813	15,018	38,523	71,660	11
Other	(3,996)	(27,039)	1,646	(2,361)	(7,096)	12
Net Cash Provided From Investing Activities	<u>(1,284,286)</u>	<u>(569,475)</u>	<u>(1,594,313)</u>	<u>(960,007)</u>	<u>(1,158,024)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,601)	(652,736)	(3,691)	(1,004,379)	(402,646)	14
Common Stock			(447)	(4,549)	(929)	15
Preferred Stock	(6)	(3)	(5)	(0)	(1)	16
Short-Term Debt	901,199	173,216	1,691,243	1,824,299	318,052	17
Dividends Paid	(1,302)	(29,588)	(9,366)	(408,585)	(261,751)	18
Other Financing	(2,144)	1,583	(4,353)	(2,515)	(7,583)	19
Net Cash Provided From Financing Activities	<u>896,146</u>	<u>(507,528)</u>	<u>1,673,381</u>	<u>404,271</u>	<u>(354,858)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(36,297)	28,613	2,863	(3,372)	5,553	21
Cash & Equivalents at Beginning of Year	93,570	64,956	62,093	65,465	59,912	22
Cash & Equivalents at End of Year	\$57,273	\$93,570	\$64,956	\$62,093	\$65,465	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,787,807	\$5,697,585	\$5,676,392	\$5,691,859	\$5,688,834
2 Access Lines	3,239,993	3,614,953	4,134,840	4,770,476	5,358,510
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,084,516	\$802,961	\$4,347,403	\$4,222,441	\$4,095,046
4 Depreciation and Amortization	1,188,345	1,154,146	1,314,303	1,365,793	1,371,267
5 Other Operations Expense	3,004,712	2,322,239	2,499,873	2,351,414	2,322,348
6 Total Operation Expenses	8,277,574	4,279,347	8,161,590	7,938,089	7,788,662
7 Income Taxes - Operating Taxes	(1,300,058)	194,940	(1,202,578)	(1,055,669)	(964,613)
8 Other Taxes - Operating Taxes	517,906	494,166	452,565	502,662	465,409
9 Capital Costs	(1,707,614)	729,133	(1,735,185)	(1,693,224)	(1,600,624)
10 Total	\$5,787,807	\$5,697,585	\$5,676,392	\$5,691,859	\$5,688,834
PERCENT OF REVENUES					
11 Wages and Benefits	70.6	14.1	76.6	74.2	72.0
12 Depreciation and Amortization	20.5	20.3	23.2	24.0	24.1
13 Other Operations Expense	51.9	40.8	44.0	41.3	40.8
14 Income Taxes - Operating Taxes	(22.5)	3.4	(21.2)	(18.5)	(17.0)
15 Other Taxes - Operating Taxes	8.9	8.7	8.0	8.8	8.2
16 Capital Costs	(29.5)	12.8	(30.6)	(29.7)	(28.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,260.66	222.12	1,051.41	885.12	764.21
19 Depreciation and Amortization	366.77	319.27	317.86	286.30	255.90
20 Other Operations Expense	927.38	642.40	604.59	492.91	433.39
21 Income Taxes - Operating Taxes	(401.25)	53.93	(290.84)	(221.29)	(180.02)
22 Other Taxes - Operating Taxes	159.85	136.70	109.45	105.37	86.85
23 Capital Costs	(527.04)	201.70	(419.65)	(354.94)	(298.71)
24 Total	1,786.36	1,576.12	1,372.82	1,193.47	1,061.64

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,446,243.93	\$3,443,623.07	\$3,623,716.92	\$3,649,783.59	\$3,699,623.42	1
Central Office Assets	11,564,726	11,214,437	10,935,560	10,720,065	12,759,857	2
Information Origination/Termination	232,821	233,487	234,586	230,931	299,013	3
Cable And Wire Facilities	15,212,679	15,237,583	14,777,323	17,578,962	15,912,667	4
Amortizable Assets	1,015,035	1,008,396	955,631	924,275	301,178	5
Total Plant In Service	31,471,507	31,137,527	30,526,818	33,104,017	32,972,339	6
Property Held For Future Use	2,889			11	11	7
Plant Under Construction	565,817	451,534	296,320	334,620	303,328	8
Tel. Acquisition	142,620	142,620	142,620	142,620	142,620	9
Other Plant	(0)	(0)	(0)	(0)	(0)	10
Nonoperating Plant	(2,354)	1,074	3,319	10,039	16,007	11
Goodwill	4,493	4,493	4,493	4,493	4,493	12
Total Telecommunications Plant	32,184,971	31,737,248	30,973,570	33,595,799	33,438,798	13
Less Acc. Prov. For Depreciation & Amort.	20,945,772	20,494,613	19,680,071	22,095,151	21,903,048	14
Net Total Utility Plant	\$11,239,199	\$11,242,635	\$11,293,499	\$11,500,649	\$11,535,750	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.31	0.17	0.16	0.21	0.26	16
Total Capitalization (\$000)	\$4,495,065	\$5,328,485	\$5,087,397	\$5,194,071	\$6,315,000	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	13.5%	11.5%	20.9%	24.4%	35.9%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	-96.4%	-48.8%	-65.3%	-29.4%	6.5%	20
Short-Term Debt	182.8%	137.3%	144.3%	105.0%	57.5%	21
Pretax Coverage of Interest Expense	-7.83	3.74	-7.76	-7.33	-5.65	22
Com. Stock Dividends as a % of Earnings	-0.1%	3.9%	-0.3%	-25.6%	-18.6%	23
Return on Common Equity	49.8%	-25.5%	70.6%	284.8%	-107.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	30.3%	95.1%	-2.0%	50.7%	124.2%	25
CWIP as a % of Plant	1.8%	1.4%	1.0%	1.0%	0.9%	26

Notes:

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

Current Assets	3,770,906,083	1,489,220,230	1,345,360,615	1,289,522,028	1,248,099,251
Current Liabilities	11,995,845,812	8,679,571,346	8,201,921,374	6,255,529,764	4,786,674,811
Total Capitalization	4,495,065,189	5,328,485,165	5,087,396,527	5,194,071,238	6,314,999,528
Long-Term Debt	608,843,227	611,235,966	1,063,612,842	1,266,266,286	2,269,733,180
Preferred Stock	409,600	415,500	418,500	923,500	923,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	(4,333,083,044)	(2,599,730,255)	(3,320,081,152)	(1,527,400,531)	412,115,288
Short-Term Debt	8,218,895,406	7,316,563,954	7,343,446,337	5,454,281,983	3,632,227,360
Pretax Income	(2,729,661,293)	1,404,155,920	(2,593,901,032)	(2,315,435,406)	(1,996,464,495)
Interest Expense	348,540,143	375,429,566	334,127,763	315,790,404	353,178,729
Dividends Paid	1,323,672	29,594,773	5,002,647	406,825,183	263,347,671
Net Income (Excl. Preferred Stock Dividends)	(1,727,811,620)	755,760,453	(1,710,663,287)	(1,588,179,318)	(1,413,847,591)
Internal Cash	351,842,542	1,108,205,341	(23,432,496)	602,580,073	1,573,852,162
Cash Outflows for Construction	(1,161,965,823)	(1,164,743,932)	(1,188,283,073)	(1,189,476,976)	(1,266,732,641)
CWIP	565,816,530	451,533,656	296,320,081	333,184,848	303,328,348
Total Plant	32,184,971,266	31,737,248,221	30,973,427,881	33,595,654,285	33,438,797,619
Shares Outstanding	1,590,750	1,590,511	1,590,419	7,808,283	7,564,483
Number of Employees	15,836	16,454	16,931	17,788	18,044

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$18,580	\$44,234	\$53,013	\$48,839	\$74,039	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	120,009	120,963	125,964	152,514	150,190	2
Changes in Deferred Income Taxes	28,798	26,205	2,567	3,126	3,614	3
Changes in Working Capital	56,604	(338,237)	290,534	44,806	63,820	4
Capitalized AFDC - Equity	(35)	(86)	(74)	(39)	(13)	5
Other	6,301	6,769	(4,893)	1,216	(12,177)	6
Total Non-Cash Items	211,678	(184,386)	414,098	201,623	205,434	7
Net Cash Provided From Operating Activities	<u>230,258</u>	<u>(140,152)</u>	<u>467,111</u>	<u>250,462</u>	<u>279,474</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(44,262)	(43,004)	(47,676)	(52,065)	(62,898)	10
Purchase of Other Investments	(186,912)	213,495	(422,695)	193,309	44,388	11
Sale of Other Investments	8,353	8,045	5,322	6,820	7,011	12
Other	(7)	177	11,953	4,636	3,704	13
Net Cash Provided From Investing Activities	<u>(222,828)</u>	<u>178,713</u>	<u>(453,096)</u>	<u>152,699</u>	<u>(7,795)</u>	
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,601)	(4,592)	(3,691)	(4,379)	(2,646)	14
Common Stock			(447)	(4,549)	(929)	15
Preferred Stock	(6)	(3)	(5)		(1)	16
Short-Term Debt	(594)	(1,054)	(4,134)	5,614	(133)	17
Dividends Paid	(1,302)	(29,588)	(9,366)	(408,585)	(261,751)	18
Other Financing	(730)	561	(648)	100	(667)	19
Net Cash Provided From Financing Activities	<u>(4,233)</u>	<u>(34,676)</u>	<u>(18,291)</u>	<u>(411,798)</u>	<u>(266,126)</u>	20
Net Increase (Decrease) in Cash & Equivalents	3,197	3,885	(4,276)	(8,637)	5,553	21
Cash & Equivalents at Beginning of Year	56,437	52,553	56,828	65,465	59,912	22
Cash & Equivalents at End of Year	\$59,634	\$56,437	\$52,553	\$56,828	\$65,465	23

Table 5 WT

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

	2014	2013	2012	2011	2010
1 Revenues	\$557,330	\$587,993	\$637,383	\$670,027	\$706,489
2 Access Lines	513,405	559,088	601,815	653,852	692,629
DOLLAR AMOUNTS					
3 Wages and Benefits	\$96,631	\$102,752	\$116,755	\$119,908	\$119,259
4 Depreciation and Amortization	127,102	133,677	141,886	152,287	153,300
5 Other Operations Expense	243,568	228,289	246,335	278,317	276,326
6 Total Operation Expenses	467,301	464,718	504,987	548,954	548,886
7 Income Taxes - Operating Taxes	(4,888)	6,754	13,293	11,504	22,213
8 Other Taxes - Operating Taxes	43,856	44,202	43,462	39,289	45,332
9 Capital Costs	51,061	72,320	75,640	70,280	90,059
10 Total	\$557,330	\$587,993	\$637,383	\$670,027	\$706,489
PERCENT OF REVENUES					
11 Wages and Benefits	17.3	17.5	18.3	17.9	16.9
12 Depreciation and Amortization	22.8	22.7	22.3	22.7	21.7
13 Other Operations Expense	43.7	38.8	38.6	41.5	39.1
14 Income Taxes - Operating Taxes	(0.9)	1.1	2.1	1.7	3.1
15 Other Taxes - Operating Taxes	7.9	7.5	6.8	5.9	6.4
16 Capital Costs	9.2	12.3	11.9	10.5	12.7
17 Total	100.0	100.0	100.0	100.2	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	188.22	183.79	194.00	183.39	172.18
19 Depreciation and Amortization	247.57	239.10	235.76	232.91	221.33
20 Other Operations Expense	474.42	408.32	409.32	425.66	398.95
21 Income Taxes - Operating Taxes	(9.52)	12.08	22.09	17.59	32.07
22 Other Taxes - Operating Taxes	85.42	79.06	72.22	60.09	65.45
23 Capital Costs	99.46	129.35	125.69	107.49	130.03
24 Total	1,085.56	1,051.70	1,059.08	1,027.12	1,020.01

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$319,357	\$322,109	\$331,190	\$338,118	\$336,736	1
Central Office Assets	1,539,959	1,523,183	1,503,473	1,484,406	1,461,746	2
Information Origination/Termination	42,317	42,267	42,412	41,816	41,261	3
Cable And Wire Facilities	1,803,220	1,777,581	1,759,471	1,737,652	1,715,612	4
Amortizable Assets	17,622	17,747	17,552	17,211	17,369	5
Total Plant In Service	3,722,476	3,682,887	3,654,099	3,619,203	3,572,724	6
Property Held For Future Use		(459)		11	11	7
Plant Under Construction	20,491	27,782	29,334	25,165	32,671	8
Tel. Acquisition	142,620	142,620	142,620	142,620	142,620	9
Other Plant	(0)	(0)	(0)	(0)	(0)	10
Nonoperating Plant	869	616	621	609	609	11
Goodwill	4,493	4,493	4,493	4,493	4,493	12
Total Telecommunications Plant	3,890,948	3,857,939	3,831,168	3,792,101	3,753,128	13
Less Acc. Prov. For Depreciation & Amort.	3,240,163	3,132,200	3,025,399	2,907,889	2,776,922	14
Net Total Utility Plant	650,785	726,197	805,768	884,213	976,206	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.38	1.59	0.59	1.23	1.61	16
Total Capitalization (\$000)	\$923,531	\$912,966	\$909,765	\$875,254	\$1,297,134	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.1%	1.3%	1.5%	1.8%	1.5%	18
Preferred Stock	0.0%	0.0%	0.0%	0.1%	0.1%	19
Common Stock & Retained Earnings	97.9%	97.8%	97.4%	96.3%	97.5%	20
Short-Term Debt	0.9%	0.8%	1.0%	1.8%	0.9%	21
Pretax Coverage of Interest Expense	2.55	5.41	6.66	6.74	9.80	22
Com. Stock Dividends as a % of Earnings	7.9%	69.7%	9.6%	815.1%	374.5%	23
Return on Common Equity	1.9%	4.8%	6.0%	4.7%	5.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	520.2%	-319.9%	1090.5%	577.5%	532.4%	25
CWIP as a % of Plant	0.5%	0.7%	0.8%	0.6%	0.9%	26

Notes:

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

Current Assets	245,445,228	317,586,667	320,171,731	322,404,349	277,323,039
Current Liabilities	177,358,208	199,547,318	542,031,054	261,235,581	171,913,310
Total Capitalization	923,530,804	912,965,851	909,765,165	875,253,976	1,297,134,464
Long-Term Debt	10,492,450	12,025,952	13,726,801	15,552,505	18,997,500
Preferred Stock	409,600	415,500	418,500	923,500	923,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	904,097,351	892,802,584	886,078,238	843,153,505	1,264,918,012
Short-Term Debt	8,531,402	7,721,815	9,541,626	15,624,466	12,295,252
Pretax Income	40,021,330	78,196,805	91,942,306	85,836,125	117,993,720
Interest Expense	15,671,005	14,455,616	13,803,449	12,731,338	12,035,593
Dividends Paid	1,323,672	29,594,773	5,002,647	406,825,183	263,347,671
Net Income (Excl. Preferred Stock Dividends)	16,835,939	42,437,590	52,120,644	49,911,473	70,321,259
Internal Cash	230,257,912	(137,563,270)	519,883,125	300,678,304	334,891,282
Cash Outflows for Construction	(44,262,168)	(43,004,082)	(47,675,929)	(52,064,721)	(62,897,593)
CWIP	20,491,126	27,781,615	29,334,328	23,730,174	32,670,556
Total Plant	3,890,948,483	3,858,397,298	3,831,025,659	3,791,956,310	3,753,127,938
Shares Outstanding	1,590,749	1,590,510	1,590,418	7,808,282	7,564,482
Number of Employees	1,385	1,371	1,491	1,565	1,647

Table 4

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$1,741,224)	\$737,325	(\$1,727,367)	(\$1,605,867)	(\$1,437,813)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,143,226	1,104,498	1,259,595	1,322,733	1,326,501	2
Changes in Deferred Income Taxes	(695,378)	1,205,906	(398,450)	(371,237)	96,847	3
Changes in Working Capital	29,993	484,784	(63,085)	(197,140)	(4,970)	4
Capitalized AFDC - Equity						5
Other	1,544,420	(2,448,624)	773,716	1,347,322	1,479,919	6
Total Non-Cash Items	2,022,262	346,563	1,571,777	2,101,678	2,898,296	7
Net Cash Provided From Operating Activities	281,038	1,083,888	(155,590)	495,811	1,460,484	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,141,580)	(1,140,581)	(1,163,435)	(1,166,069)	(1,239,120)	9
Purchase of Other Investments	(135,089)	205,583	(363,773)	192,143	71,701	10
Sale of Other Investments	60,235	400,768	9,696	31,928	65,081	11
Other	(3,989)	(27,216)	(10,307)	(15,954)	(18,525)	12
Net Cash Provided From Investing Activities	(1,220,422)	(561,446)	(1,527,819)	(957,951)	(1,120,863)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(648,144)		(1,000,000)	(400,000)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	901,794	174,270	1,695,377	1,818,684	318,184	17
Dividends Paid		(25,000)		(350,000)	(250,000)	18
Other Financing	(1,414)	1,021	(3,705)	(2,615)	(6,916)	19
Net Cash Provided From Financing Activities	900,380	(497,852)	1,691,672	466,069	(338,732)	20
Net Increase (Decrease) in Cash & Equivalents	(39,005)	24,590	8,263	3,930	889	21
Cash & Equivalents at Beginning of Year	38,503	13,913	5,650	1,720	831	22
Cash & Equivalents at End of Year	(\$502)	\$38,503	\$13,913	\$5,650	\$1,720	23

Table 5 AT

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,590,554	\$5,491,743	\$5,460,337	\$5,463,493	\$5,451,315
2 Access Lines	3,039,100	3,396,133	3,902,584	4,524,007	5,096,732
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,037,751	\$758,094	\$4,292,706	\$4,165,818	\$4,040,840
4 Depreciation and Amortization	1,149,309	1,114,837	1,273,524	1,322,733	1,326,501
5 Other Operations Expense	2,925,370	2,242,388	2,415,265	2,256,945	2,229,584
6 Total Operation Expenses	8,112,429	4,115,319	7,981,495	7,745,496	7,596,925
7 Income Taxes - Operating Taxes	(1,303,408)	188,609	(1,208,657)	(1,061,378)	(975,125)
8 Other Taxes - Operating Taxes	503,506	479,806	437,895	488,991	450,923
9 Capital Costs	(1,721,974)	708,010	(1,750,395)	(1,709,617)	(1,621,407)
10 Total	\$5,590,554	\$5,491,743	\$5,460,337	\$5,463,493	\$5,451,315
PERCENT OF REVENUES					
11 Wages and Benefits	72.2	13.8	78.6	76.2	74.1
12 Depreciation and Amortization	20.6	20.3	23.3	24.2	24.3
13 Other Operations Expense	52.3	40.8	44.2	41.3	40.9
14 Income Taxes - Operating Taxes	(23.3)	3.4	(22.1)	(19.4)	(17.9)
15 Other Taxes - Operating Taxes	9.0	8.7	8.0	9.0	8.3
16 Capital Costs	(30.8)	12.9	(32.1)	(31.3)	(29.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,328.60	223.22	1,099.96	920.82	792.83
19 Depreciation and Amortization	378.17	328.27	326.33	292.38	260.26
20 Other Operations Expense	962.58	660.28	618.89	498.88	437.45
21 Income Taxes - Operating Taxes	(428.88)	55.54	(309.71)	(234.61)	(191.32)
22 Other Taxes - Operating Taxes	165.68	141.28	112.21	108.09	88.47
23 Capital Costs	(566.61)	208.48	(448.52)	(377.90)	(318.13)
24 Total	1,839.54	1,617.06	1,399.16	1,207.67	1,069.57

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$3,317,616	\$3,315,575	\$3,493,852	\$3,519,540	\$3,569,141	1
Central Office Assets	11,116,290	10,766,751	10,488,954	10,278,894	12,322,055	2
Information Origination/Termination	222,437	223,158	223,979	220,730	289,171	3
Cable And Wire Facilities	14,665,497	14,702,333	14,249,213	17,057,884	15,397,442	4
Amortizable Assets	1,013,475	1,006,711	954,141	923,125	299,871	5
Total Plant In Service	30,335,315	30,014,529	29,410,139	32,000,173	31,877,680	6
Property Held For Future Use	2,889	459				7
Plant Under Construction	557,125	438,071	284,932	326,634	295,348	8
Tel. Acquisition	142,405	142,405	142,405	142,405	142,405	9
Other Plant						10
Nonoperating Plant	(3,182)	499	2,739	9,469	15,437	11
Goodwill						12
Total Telecommunications Plant	31,034,552	30,595,504	29,840,214	32,478,682	32,330,870	13
Less Acc. Prov. For Depreciation & Amort.	20,037,622	19,612,443	18,820,673	21,266,084	21,103,326	14
Net Total Utility Plant	\$10,996,930	\$10,983,062	\$11,019,542	\$11,212,598	\$11,227,545	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.30	0.15	0.14	0.18	0.23	16
Total Capitalization (\$000)	\$4,022,395	\$4,862,957	\$4,626,066	\$4,731,835	\$5,748,659	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	14.9%	12.3%	22.7%	26.4%	39.2%	18
Preferred Stock						19
Common Stock & Retained Earnings	-119.0%	-62.6%	-81.2%	-41.4%	-2.1%	20
Short-Term Debt	204.1%	150.3%	158.5%	114.9%	63.0%	21
Pretax Coverage of Interest Expense	-7.95	3.68	-7.91	-7.49	-5.82	22
Com. Stock Dividends as a % of Earnings		3.4%		-21.8%	-17.4%	23
Return on Common Equity	44.5%	-21.7%	60.4%	154.4%	-181.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	24.6%	95.0%	-9.3%	46.2%	121.7%	25
CWIP as a % of Plant	1.8%	1.4%	1.0%	1.0%	0.9%	26

Notes:

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

Current Assets	3,588,568	1,304,152	1,169,445	1,113,712	1,085,611
Current Liabilities	11,893,586	8,580,513	8,066,203	6,152,714	4,700,566
Total Capitalization	4,022,395	4,862,957	4,626,066	4,731,835	5,748,659
Long-Term Debt	598,351	599,210	1,049,886	1,250,714	2,250,736
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(4,786,320)	(3,045,096)	(3,757,725)	(1,957,537)	(122,009)
Short-Term Debt	8,210,364	7,308,842	7,333,905	5,438,658	3,619,932
Pretax Income	(2,750,711)	1,374,494	(2,621,504)	(2,344,671)	(2,037,117)
Interest Expense	346,109	373,072	331,308	313,030	350,198
Dividends Paid		25,000		350,000	250,000
Net Income (Excl. Preferred Stock Dividends)	(1,741,224)	737,325	(1,727,367)	(1,605,867)	(1,437,813)
Internal Cash	281,038	1,083,888	(108,557)	538,892	1,507,696
Cash Outflows for Construction	(1,141,580)	(1,140,581)	(1,163,435)	(1,166,069)	(1,239,120)
CWIP	557,125	438,071	284,932	326,634	295,348
Total Plant	31,034,552	30,595,504	29,840,214	32,478,682	32,330,870
Shares Outstanding	1	1	1	0	0
Number of Employees	15,070	15,705	16,106	16,961	17,173

Table 4 I

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$15,157	\$20,231	\$17,596	\$16,615	\$27,683	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	38,026	36,934	38,785	43,286	41,656	2
Changes in Deferred Income Taxes	9,493	10,374	(2,755)	(2,196)	(1,708)	3
Changes in Working Capital	11,986	(39,214)	35,949	6,220	10,667	4
Capitalized AFDC - Equity	(35)	(86)	(74)	(39)	(13)	5
Other	(3,823)	(6,512)	(10,116)	(7,333)	(20,334)	6
Total Non-Cash Items	55,648	1,497	61,789	39,937	30,268	7
Net Cash Provided From Operating Activities	<u>70,805</u>	<u>21,728</u>	<u>79,385</u>	<u>56,553</u>	<u>57,951</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(20,386)	(24,163)	(24,848)	(23,408)	(27,612)	9
Purchase of Other Investments	(51,823)	7,912	(58,922)	1,165	(27,557)	10
Sale of Other Investments	8,353	8,045	5,322	6,594	6,579	11
Other	(7)	177	11,953	13,593	11,429	12
Net Cash Provided From Investing Activities	<u>(63,863)</u>	<u>(8,029)</u>	<u>(66,495)</u>	<u>(2,056)</u>	<u>(37,161)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(1,601)	(4,592)	(3,691)	(4,379)	(2,646)	14
Common Stock	-	-	(447)	(4,549)	(929)	15
Preferred Stock	(6)	(3)	(5)	(0)	(1)	16
Short-Term Debt	(594)	(1,054)	(4,134)	5,614	(133)	17
Dividends Paid	(1,302)	(4,588)	(9,366)	(58,585)	(11,751)	18
Other Financing	(730)	561	(648)	100	(667)	19
	-	-	-	-	-	
Net Cash Provided From Financing Activities	<u>(4,233)</u>	<u>(9,676)</u>	<u>(18,291)</u>	<u>(61,798)</u>	<u>(16,126)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,708	4,023	(5,400)	(7,301)	4,664	21
Cash & Equivalents at Beginning of Year	55,067	51,043	56,444	63,745	59,081	22
Cash & Equivalents at End of Year	\$57,775	\$55,067	\$51,043	\$56,444	\$63,745	23

Table 5 BT

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

	2014	2013	2012	2011	2010
1 Revenues	\$197,254	\$205,842	\$216,055	\$228,367	\$237,519
2 Access Lines	200,893	218,820	232,256	246,469	261,778
DOLLAR AMOUNTS					
3 Wages and Benefits	46,766	44,867	54,698	56,623	54,207
4 Depreciation and Amortization	39,036	39,309	40,778	43,059	44,766
5 Other Operations Expense	79,342	79,851	84,609	94,469	92,764
6 Total Operation Expenses	165,144	164,028	180,095	192,593	191,737
7 Income Taxes - Operating Taxes	3,350	6,331	6,079	5,709	10,512
8 Other Taxes - Operating Taxes	14,400	14,360	14,671	13,671	14,486
9 Capital Costs	14,359	21,123	15,210	16,393	20,784
10 Total	\$197,254	\$205,842	\$216,055	\$228,367	\$237,519
PERCENT OF REVENUES					
11 Wages and Benefits	23.7	21.8	25.3	24.8	22.8
12 Depreciation and Amortization	19.8	19.1	18.9	18.9	18.8
13 Other Operations Expense	40.2	38.8	39.2	41.4	39.1
14 Income Taxes - Operating Taxes	1.7	3.1	2.8	2.5	4.4
15 Other Taxes - Operating Taxes	7.3	7.0	6.8	6.0	6.1
16 Capital Costs	7.3	10.3	7.0	7.2	8.8
17 Total	100.0	100.0	100.0	100.7	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	232.79	205.04	235.51	229.74	207.07
19 Depreciation and Amortization	194.31	179.64	175.58	174.71	171.01
20 Other Operations Expense	394.95	364.92	364.29	383.29	354.36
21 Income Taxes - Operating Taxes	16.67	28.93	26.18	23.16	40.16
22 Other Taxes - Operating Taxes	71.68	65.63	63.17	55.47	55.34
23 Capital Costs	71.48	96.53	65.49	66.51	79.39
24 Total Annual	981.88	940.69	930.20	932.88	907.33

Table 6 I

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$128,628	\$128,048	\$129,865	\$130,244	\$130,483	1
Central Office Assets	448,436	447,686	446,607	441,171	437,802	2
Information Origination/Termination	10,385	10,329	10,606	10,202	9,842	3
Cable And Wire Facilities	547,183	535,250	528,111	521,078	515,225	4
Amortizable Assets	1,560	1,685	1,490	1,149	1,307	5
Total Plant In Service	1,136,192	1,122,998	1,116,679	1,103,843	1,094,659	6
Property Held For Future Use		(459)		11	11	7
Plant Under Construction	8,691	13,463	11,388	7,985	7,980	8
Tel. Acquisition	215	215	215	215	215	9
Other Plant	(0)	(0)	(0)	(0)	(0)	10
Nonoperating Plant	828	575	580	570	570	11
Goodwill	4,493	4,493	4,493	4,493	4,493	12
Total Telecommunications Plant	1,150,419	1,141,744	1,133,356	1,117,117	1,107,927	13
Less Acc. Prov. For Depreciation & Amort.	908,150	882,170	859,398	829,066	799,722	14
Net Total Utility Plant	\$242,269	\$259,573	\$273,958	\$288,051	\$308,205	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.78	1.87	1.30	1.71	1.89	16
Total Capitalization (\$000)	\$472,670	\$465,529	\$461,330	\$462,236	\$566,341	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	2.2%	2.6%	3.0%	3.4%	3.4%	18
Preferred Stock	0.1%	0.1%	0.1%	0.2%	0.2%	19
Common Stock & Retained Earnings	95.9%	95.7%	94.9%	93.1%	94.3%	20
Short-Term Debt	1.8%	1.7%	2.1%	3.4%	2.2%	21
Pretax Coverage of Interest Expense	8.66	12.58	9.79	10.59	13.64	22
Com. Stock Dividends as a % of Earnings	9.9%	24.9%	29.9%	321.3%	55.7%	23
Return on Common Equity	3.0%	4.2%	3.8%	3.7%	4.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	347.3%	100.6%	342.6%	272.1%	239.6%	25
CWIP as a % of Plant	0.8%	1.2%	1.0%	0.6%	0.7%	26

Current Assets	182,338	185,068	175,916	175,810	162,488
Current Liabilities	102,260	99,059	135,718	102,816	86,109
Total Capitalization	472,670	465,529	461,330	462,236	566,341
Long-Term Debt	10,492	12,026	13,727	15,553	18,998
Preferred Stock	410	416	419	924	924
Common Stock and Retained Earnings (Excl. Preferred Stock)	453,237	445,365	437,643	430,136	534,124
Short-Term Debt	8,531	7,722	9,542	15,624	12,295
Pretax Income	21,050	29,662	27,603	29,236	40,653
Interest Expense	2,432	2,358	2,820	2,761	2,981
Dividends Paid	1,324	4,595	5,003	56,825	13,348
Net Income (Excl. Preferred Stock Dividends)	13,413	18,435	16,703	17,688	23,965
Internal Cash	70,805	24,317	85,125	63,688	66,156
Cash Outflows for Construction	(20,386)	(24,163)	(24,848)	(23,408)	(27,612)
CWIP	8,691	13,463	11,388	6,550	7,980
Total Plant	1,150,419	1,141,744	1,133,214	1,116,972	1,107,927
Shares Outstanding	1,590	1,590	1,589	7,808	7,564
Number of Employees	766	749	825	827	871

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$660,487	\$5,619,478	\$4,600,161	\$1,238,590	\$4,244,648	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	10,316,981	9,223,788	8,806,911	8,403,704	8,767,317	2
Changes in Deferred Income Taxes	(1,216,812)	(238,032)	(1,195,192)	(690,345)	(1,460,022)	3
Changes in Working Capital	(1,305,951)	3,995,801	(1,693,883)	(1,714,290)	2,488,258	4
Capitalized AFDC - Equity	(34,548)	(85,594)	(73,774)	(39,004)	(13,332)	5
Other	76,051	61,423	134,194	828,600	(580,605)	6
Total Non-Cash Items	7,835,721	12,957,386	5,978,256	6,788,665	9,201,616	7
Net Cash Provided From Operating Activities	<u>8,496,208</u>	<u>18,576,864</u>	<u>10,578,417</u>	<u>8,027,255</u>	<u>13,446,264</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(5,361,227)	(10,593,897)	(8,487,869)	(4,199,225)	(7,172,779)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(5,361,227)</u>	<u>(10,593,897)</u>	<u>(8,487,869)</u>	<u>(4,199,225)</u>	<u>(7,172,779)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments):						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(594,439)	(3,719,729)	(4,140,000)	(1,114,000)	(3,800,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(594,439)</u>	<u>(3,719,729)</u>	<u>(4,140,000)</u>	<u>(1,114,000)</u>	<u>(3,800,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,540,542	4,263,238	(2,049,452)	2,714,030	2,473,485	21
Cash & Equivalents at Beginning of Year	34,047,269	29,784,031	31,833,483	29,119,453	26,645,968	22
Cash & Equivalents at End of Year	\$36,587,811	\$34,047,269	\$29,784,031	\$31,833,483	\$29,119,453	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$32,330,615	\$35,347,235	\$37,195,862	\$38,155,879	\$39,569,242
2 Access Lines	42,285	46,668	49,810	52,713	55,255
DOLLAR AMOUNTS					
3 Wages and Benefits	\$4,908,362	\$2,431,089	\$4,472,751	\$6,402,944	\$5,092,811
4 Depreciation and Amortization	10,316,981	9,223,788	8,806,911	8,403,704	8,767,317
5 Other Operations Expense	10,430,128	10,083,269	11,208,672	15,534,182	13,422,910
6 Total Operation Expenses	25,655,471	21,738,146	24,488,334	30,340,830	27,283,038
7 Income Taxes - Operating Taxes	461,941	2,702,620	2,325,341	589,399	2,293,363
8 Other Taxes - Operating Taxes	3,709,424	3,320,322	3,632,662	3,553,122	3,568,859
9 Capital Costs	2,503,779	7,586,147	6,749,525	3,672,528	6,423,981
10 Total	\$32,330,615	\$35,347,235	\$37,195,862	\$38,155,879	\$39,569,242
PERCENT OF REVENUES					
11 Wages and Benefits	15.2	6.9	12.0	16.8	12.9
12 Depreciation and Amortization	31.9	26.1	23.7	22.0	22.2
13 Other Operations Expense	32.3	28.5	30.1	40.7	33.9
14 Income Taxes - Operating Taxes	1.4	7.6	6.3	1.5	5.8
15 Other Taxes - Operating Taxes	11.5	9.4	9.8	9.3	9.0
16 Capital Costs	7.7	21.5	18.1	9.6	16.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	116.08	52.09	89.80	121.47	92.17
19 Depreciation and Amortization	243.99	197.65	176.81	159.42	158.67
20 Other Operations Expense	246.66	216.06	225.03	294.69	242.93
21 Income Taxes - Operating Taxes	10.92	57.91	46.68	11.18	41.51
22 Other Taxes - Operating Taxes	87.72	71.15	72.93	67.41	64.59
23 Capital Costs	59.21	162.56	135.51	69.67	116.26
24 Total	764.59	757.42	746.75	723.84	716.12

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$21,060,553	\$20,575,797	\$20,541,860	\$20,443,222	\$20,265,510	1
Central Office Assets	104,260,566	102,281,285	98,285,483	94,191,700	91,445,186	2
Information Origination/Termination	46,421	42,883	41,889	41,889	46,026	3
Cable And Wire Facilities	113,431,199	108,814,771	106,263,891	104,629,846	103,612,796	4
Amortizable Assets						5
Total Plant In Service	238,798,739	231,714,736	225,133,123	219,306,657	215,369,518	6
Property Held For Future Use						7
Plant Under Construction	1,666,763	5,452,955	3,732,069	1,380,338	1,593,329	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	37,008	37,008	37,008	37,008	37,008	11
Goodwill	2,783,153	2,783,153	2,783,153	2,783,153	2,783,153	12
Total Telecommunications Plant	243,285,663	239,987,852	231,685,353	223,507,156	219,783,008	13
Less Acc. Prov. For Depreciation & Amort.	192,829,894	184,934,217	177,728,068	169,303,614	161,406,175	14
Net Total Utility Plant	\$50,455,769	\$55,053,635	\$53,957,285	\$54,203,542	\$58,376,833	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	8.67	6.32	7.69	17.30	8.57	16
Total Capitalization	\$79,030,382	\$78,964,331	\$77,064,582	\$76,604,421	\$76,479,831	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	124715.22	2774033.54	494679.71	130571.64	97583.26	22
Com. Stock Dividends as a % of Earnings	90.0%	66.2%	90.0%	89.9%	89.5%	23
Return on Common Equity	0.8%	7.2%	6.0%	1.6%	5.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	158.5%	175.4%	124.6%	191.1%	187.5%	25
CWIP as a % of Plant	0.7%	2.3%	1.6%	0.6%	0.7%	26

Current Assets	43,768,497	41,866,454	39,789,581	37,160,872	35,571,403
Current Liabilities	5,046,239	6,626,795	5,172,924	2,147,983	4,152,283
Total Capitalization	79,030,382	78,964,331	77,064,582	76,604,421	76,479,831
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	79,030,382	78,964,331	77,064,582	76,604,421	76,479,831
Short-Term Debt					
Pretax Income	1,122,437	8,322,101	6,925,516	1,828,003	6,538,078
Interest Expense	9	3	14	14	67
Common Dividends Paid	594,439	3,719,729	4,140,000	1,114,000	3,800,000
Net Income (Excl. Preferred Stock Dividends)	660,487	5,619,478	4,600,161	1,238,590	4,244,648
Internal Cash	8,496,208	18,577,919	10,578,417	8,026,199	13,446,264
Cash Outflows for Construction	(5,361,227)	(10,593,897)	(8,487,869)	(4,199,225)	(7,172,779)
CWIP	1,666,763	5,452,955	3,732,069	1,380,338	1,593,329
Total Plant	243,285,663	239,987,852	231,685,353	223,504,156	219,783,008
Shares Outstanding	2,821	2,821	2,621	2,621	2,621
Number of Employees	37	40	59	59	67

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$497,017)	(\$165,556)	\$44,450	(\$20,264)	(\$77,775)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	497,732	486,016	696,371	787,618	757,128	2
Changes in Deferred Income Taxes	(105,897)	(101,336)	(138,571)	(100,972)	(57,299)	3
Changes in Working Capital	131,599	(179,971)	229,801	(75,235)	(67,858)	4
Capitalized AFDC - Equity						5
Other	3,666	40,951	(696)	26,944	55,349	6
Total Non-Cash Items	527,100	245,660	786,905	638,355	687,320	7
Net Cash Provided From Operating Activities	<u>30,083</u>	<u>80,104</u>	<u>831,355</u>	<u>618,091</u>	<u>609,545</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(383,641)	(72,905)	(48,702)	(143,573)	(\$309,774)	9
Purchase of Other Investments						10
Sale of Other Investments		82	970	2,098	\$6,850	11
Other	(1,350)	(2,478)	(671)	(9,648)	(\$2,033)	12
Net Cash Provided From Investing Activities	<u>(384,991)</u>	<u>(75,301)</u>	<u>(48,403)</u>	<u>(151,123)</u>	<u>(304,957)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(2,597,312)	(128,421)	(159,782)	(\$164,761)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	449,996	602,777	(2,785)			19
Net Cash Provided From Financing Activities	<u>449,996</u>	<u>(1,994,535)</u>	<u>(131,206)</u>	<u>(159,782)</u>	<u>(164,761)</u>	20
Net Increase (Decrease) in Cash & Equivalents	95,089	(1,989,732)	651,746	307,186	139,827	21
Cash & Equivalents at Beginning of Year	151,933	2,141,665	1,489,919	1,182,733	1,042,906	22
Cash & Equivalents at End of Year	\$247,022	\$151,933	\$2,141,665	\$1,489,919	\$1,182,733	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$3,892,045	\$4,196,141	\$4,578,634	\$4,498,666	\$4,605,800
2 Access Lines	2,528	2,565	2,464	2,522	2,644
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,688,996	\$1,551,139	\$1,435,798	\$776,282	\$823,503
4 Depreciation and Amortization	497,732	486,016	696,371	787,618	757,128
5 Other Operations Expense	2,242,231	2,060,040	1,966,454	2,603,368	2,671,572
6 Total Operation Expenses	4,428,959	4,097,194	4,098,623	4,167,268	4,252,203
7 Income Taxes - Operating Taxes	(286,159)	(41,473)	(7,594)	(53,045)	17,345
8 Other Taxes - Operating Taxes	245,567	265,351	308,103	265,753	262,254
9 Capital Costs	(496,322)	(124,931)	179,502	118,690	73,999
10 Total	\$3,892,045	\$4,196,141	\$4,578,634	\$4,498,666	\$4,605,800
PERCENT OF REVENUES					
11 Wages and Benefits	43.4	37.0	31.4	17.3	17.9
12 Depreciation and Amortization	12.8	11.6	15.2	17.5	16.4
13 Other Operations Expense	57.6	49.1	42.9	57.9	58.0
14 Income Taxes - Operating Taxes	(7.4)	(1.0)	(0.2)	(1.2)	0.4
15 Other Taxes - Operating Taxes	6.3	6.3	6.7	5.9	5.7
16 Capital Costs	(12.8)	(3.0)	3.9	2.6	1.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	668.12	604.73	582.71	307.80	311.46
19 Depreciation and Amortization	196.89	189.48	282.62	312.30	286.36
20 Other Operations Expense	886.96	803.13	798.07	1,032.26	1,010.43
21 Income Taxes - Operating Taxes	(113.20)	(16.17)	(3.08)	(21.03)	6.56
22 Other Taxes - Operating Taxes	97.14	103.45	125.04	105.37	99.19
23 Capital Costs	(196.33)	(48.71)	72.85	47.06	27.99
24 Total	1,539.57	1,635.92	1,858.21	1,783.77	1,741.98

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,515,368	\$1,518,894	\$1,593,609	\$1,688,180	\$1,714,835	1
Central Office Assets	3,912,931	3,854,478	3,902,136	4,880,504	5,696,309	2
Information Origination/Termination	87,670	87,670	87,670	87,670	87,670	3
Cable And Wire Facilities	6,203,355	5,929,436	5,878,832	6,618,348	6,538,295	4
Amortizable Assets						5
Total Plant In Service	11,719,324	11,390,478	11,462,247	13,274,702	14,037,108	6
Property Held For Future Use						7
Plant Under Construction	21,472	2,294	1,313		10,683	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,740,797	11,392,772	11,463,560	13,274,702	14,047,791	13
Less Acc. Prov. For Depreciation & Amort.	9,359,026	8,898,260	8,558,334	9,721,513	9,858,109	14
Net Total Utility Plant	\$2,381,770	\$2,494,511	\$2,905,226	\$3,553,189	\$4,189,682	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.55	0.76	0.88	0.70	0.57	16
Total Capitalization	\$2,191,391	\$2,617,568	\$4,787,434	\$4,871,401	\$5,051,449	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt					0.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	52.1%	77.1%	45.7%	44.0%	42.9%	20
Short-Term Debt	47.9%	22.9%	54.3%	56.0%	56.6%	21
Pretax Coverage of Interest Expense	-481.65	-4.39	1.30	0.51	0.64	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-31.5%	-7.9%	2.1%	-9.4%	-3.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	7.8%	109.9%	1707.0%	430.5%	196.8%	25
CWIP as a % of Plant	0.2%	0.0%	0.0%		0.1%	26

Current Assets	920,914	801,432	2,840,909	2,226,830	1,897,947
Current Liabilities	1,668,174	1,058,517	3,234,812	3,174,575	3,338,045
Total Capitalization	2,191,391	2,617,568	4,787,434	4,871,401	5,051,449
Long-Term Debt					24,550
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,141,391	2,017,568	2,190,122	2,145,668	2,165,933
Short-Term Debt	1,050,000	600,000	2,597,312	2,725,733	2,860,965
Pretax Income	(781,553)	(168,637)	173,306	72,160	95,428
Interest Expense	1,623	38,392	133,423	140,147	148,400
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(497,017)	(165,556)	44,450	(202,264)	(77,775)
Internal Cash	30,083	80,104	831,355	618,091	609,545
Cash Outflows for Construction	(383,641)	(72,905)	(48,702)	(143,573)	(309,774)
CWIP	21,472	2,294	1,313		10,683
Total Plant	11,740,797	11,392,772	11,463,559	13,274,702	14,047,791
Shares Outstanding	4,860	4,860	4,860	4,860	4,860
Number of Employees	10	10	11	11	25

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$99,560	(\$177,973)	(\$275,940)	(\$185,438)	(\$5,477)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	466,193	554,076	578,298	641,793	263,318	2
Changes in Deferred Income Taxes	(49,049)	(80,088)	(52,429)	(61,876)	95,188	3
Changes in Working Capital	(491,944)	(550,526)	50,762	(199,596)	48,000	4
Capitalized AFDC - Equity						5
Other	70,894	190,421	16,203	(57,256)	(84,909)	6
Total Non-Cash Items	(3,906)	113,883	592,834	323,065	321,597	7
Net Cash Provided From Operating Activities	<u>95,654</u>	<u>(64,090)</u>	<u>316,894</u>	<u>137,627</u>	<u>316,120</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(103,207)	66,111	(314,581)	(133,498)	(320,989)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(103,207)</u>	<u>66,111</u>	<u>(314,581)</u>	<u>(133,498)</u>	<u>(320,989)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities						<u>20</u>
Net Increase (Decrease) in Cash & Equivalents	(7,554)	2,020	2,313	4,129	(4,869)	21
Cash & Equivalents at Beginning of Year	18,323	16,304	13,991	9,862	14,731	22
Cash & Equivalents at End of Year	\$10,770	\$18,323	\$16,304	\$13,991	\$9,862	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,691,900	\$2,597,759	\$2,460,857	\$2,618,683	\$3,054,678
2 Access Lines	2,801	2,991	3,186	3,507	3,825
DOLLAR AMOUNTS					
3 Wages and Benefits	\$471,205	\$451,430	\$522,925	\$539,295	\$691,354
4 Depreciation and Amortization	466,193	554,076	578,298	641,793	751,497
5 Other Operations Expense	1,366,092	1,471,420	1,482,985	1,574,968	1,838,995
6 Total Operation Expenses	2,303,490	2,476,926	2,584,208	2,756,055	3,281,846
7 Income Taxes - Operating Taxes	64,976	(4,379)	(120,489)	(114,676)	(188,431)
8 Other Taxes - Operating Taxes	176,659	187,082	181,869	80,464	196,345
9 Capital Costs	146,775	(61,870)	(184,731)	(103,160)	(235,081)
10 Total	\$2,691,900	\$2,597,759	\$2,460,857	\$2,618,683	\$3,054,678
PERCENT OF REVENUES					
11 Wages and Benefits	17.5	17.4	21.2	20.6	22.6
12 Depreciation and Amortization	17.3	21.3	23.5	24.5	24.6
13 Other Operations Expense	50.7	56.6	60.3	60.1	60.2
14 Income Taxes - Operating Taxes	2.4	(0.2)	(4.9)	(4.4)	(6.2)
15 Other Taxes - Operating Taxes	6.6	7.2	7.4	3.1	6.4
16 Capital Costs	5.5	(2.4)	(7.5)	(3.9)	(7.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	168.23	150.93	164.13	153.78	180.75
19 Depreciation and Amortization	166.44	185.25	181.51	183.00	196.47
20 Other Operations Expense	487.72	491.95	465.47	449.09	480.78
21 Income Taxes - Operating Taxes	23.20	(1.46)	(37.82)	(32.70)	(49.26)
22 Other Taxes - Operating Taxes	63.07	62.55	57.08	22.94	51.33
23 Capital Costs	52.40	(20.69)	(57.98)	(29.42)	(61.46)
24 Total	961.05	868.53	772.40	746.70	798.61

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,464,394	\$3,453,816	\$3,661,039	\$3,862,690	\$3,850,751	1
Central Office Assets	4,683,254	4,898,386	5,829,126	5,802,475	5,747,812	2
Information Origination/Termination	48,712	48,712	313,033	313,033	313,034	3
Cable And Wire Facilities	7,228,356	7,227,590	7,146,466	7,117,370	7,105,562	4
Amortizable Assets	60,754	60,754	60,754	60,754	60,754	5
Total Plant In Service	15,485,470	15,689,259	17,010,418	17,156,322	17,077,913	6
Property Held For Future Use						7
Plant Under Construction	123,005	82,743	274,260	92,764	45,876	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	141,975	141,975	141,975	141,975	141,975	11
Goodwill						12
Total Telecommunications Plant	15,750,451	15,913,976	17,426,653	17,391,061	17,265,764	13
Less Acc. Prov. For Depreciation & Amort.	11,472,106	11,272,645	12,165,134	11,865,825	11,232,232	14
Net Total Utility Plant	\$4,278,345	\$4,641,331	\$5,261,519	\$5,525,236	\$6,033,532	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	-0.22	-0.11	-0.23	-0.09	-0.40	16
Total Capitalization	\$7,579,342	\$7,530,781	\$7,520,755	\$8,012,693	\$8,344,131	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	687.24	-2121.78	1420.11	-3.06	#DIV/0!	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.3%	-2.3%	-3.5%	-3.3%	-5.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	92.7%	96.9%	100.7%	103.1%	90.0%	25
CWIP as a % of Plant	0.8%	0.5%	1.6%	0.5%	0.3%	26

Current Assets	504,524	230,437	325,528	144,053	453,585
Current Liabilities	(2,284,286)	(2,078,814)	(1,426,233)	(1,659,957)	(1,146,018)
Total Capitalization	7,579,342	7,530,781	7,520,755	8,012,693	8,344,131
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,579,342	7,530,781	7,520,755	8,012,693	8,344,131
Short-Term Debt					
Pretax Income	180,743	(256,735)	(373,488)	(268,793)	(450,696)
Interest Expense	263	121	(263)	87,868	
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	99,687	(176,647)	(273,440)	(267,128)	(468,213)
Internal Cash	95,654	(64,090)	316,894	137,627	288,937
Cash Outflows for Construction	(103,207)	66,111	(314,581)	(133,498)	(320,989)
CWIP	123,005	82,743	274,260	92,764	45,876
Total Plant	15,750,451	15,913,976	17,284,678	17,249,086	17,265,764
Shares Outstanding	1,500	1,500	1,500	1,536	1,536
Number of Employees	7	8	8	9	10

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$54,763	\$40,110	\$70,145	\$130,518	\$154,737	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	154,819	151,800	151,185	149,055	145,691	2
Changes in Deferred Income Taxes	(21,332)	(26,236)	(31,111)	4,189	(4,613)	3
Changes in Working Capital	(141,345)	(112,771)	(228,746)	(237,649)	(189,620)	4
Capitalized AFDC - Equity						5
Other	31,921	30,021	54,600	20,966	(19,579)	6
Total Non-Cash Items	24,063	42,814	(54,072)	(63,439)	(68,121)	7
Net Cash Provided From Operating Activities	<u>78,826</u>	<u>82,924</u>	<u>16,073</u>	<u>67,079</u>	<u>86,616</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(91,819)	(67,747)	(16,062)	(66,463)	(73,543)	9
Purchase of Other Investments						10
Sale of Other Investments	1,340	(3,933)	902	(1,465)	(16,131)	11
Other						12
Net Cash Provided From Investing Activities	<u>(90,479)</u>	<u>(71,680)</u>	<u>(15,160)</u>	<u>(67,928)</u>	<u>(89,674)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities						<u>20</u>
Net Increase (Decrease) in Cash & Equivalents	(11,653)	11,244	913	(849)	(3,058)	21
Cash & Equivalents at Beginning of Year	12,422	1,178	265	1,114	4,172	22
Cash & Equivalents at End of Year	\$769	\$12,422	\$1,178	\$265	\$1,114	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$736,448	\$782,726	\$815,744	\$864,291	\$872,669
2 Access Lines	869	881	915	957	997
DOLLAR AMOUNTS					
3 Wages and Benefits	\$275,723	\$294,349	\$272,489	\$265,587	\$296,273
4 Depreciation and Amortization	154,819	151,800	151,185	149,054	145,691
5 Other Operations Expense	197,545	238,897	209,782	223,367	237,184
6 Total Operation Expenses	628,087	685,046	633,456	638,008	679,148
7 Income Taxes - Operating Taxes	29,403	36,001	66,548	75,168	65,388
8 Other Taxes - Operating Taxes	31,083	30,034	30,837	30,471	31,073
9 Capital Costs	47,875	31,645	84,903	120,644	97,060
10 Total	\$736,448	\$782,726	\$815,744	\$864,291	\$872,669
PERCENT OF REVENUES					
11 Wages and Benefits	37.4	37.6	33.4	30.7	34.0
12 Depreciation and Amortization	21.0	19.4	18.5	17.2	16.7
13 Other Operations Expense	26.8	30.5	25.7	25.8	27.2
14 Income Taxes - Operating Taxes	4.0	4.6	8.2	8.7	7.5
15 Other Taxes - Operating Taxes	4.2	3.8	3.8	3.5	3.6
16 Capital Costs	6.5	4.0	10.4	14.0	11.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	317.29	334.11	297.80	277.52	297.16
19 Depreciation and Amortization	178.16	172.30	165.23	155.75	146.13
20 Other Operations Expense	227.32	271.17	229.27	233.40	237.90
21 Income Taxes - Operating Taxes	33.84	40.86	72.73	78.55	65.58
22 Other Taxes - Operating Taxes	35.77	34.09	33.70	31.84	31.17
23 Capital Costs	55.09	35.92	92.79	126.06	97.35
24 Total	847.47	888.45	891.52	903.13	875.29

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$318,460	\$318,460	\$313,942	\$313,943	\$313,942	1
Central Office Assets	1,351,034	1,346,955	1,338,721	1,332,605	1,311,927	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,471,374	1,383,241	1,365,252	1,364,955	1,322,221	4
Amortizable Assets						5
Total Plant In Service	3,206,478	3,114,266	3,083,525	3,077,113	3,013,700	6
Property Held For Future Use						7
Plant Under Construction	35,873	36,918	6,805		26,409	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	3,242,351	3,151,184	3,090,330	3,077,113	3,040,109	13
Less Acc. Prov. For Depreciation & Amort.	2,443,006	2,287,500	2,146,525	1,997,282	1,879,152	14
Net Total Utility Plant	\$799,345	\$863,684	\$943,805	\$1,079,831	\$1,160,957	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	27.20	28.65	23.03	47.56	17.37	16
Total Capitalization	\$1,964,105	\$1,909,342	\$1,869,232	\$1,799,087	\$1,668,569	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-1.05	-0.99	-2.40	-5.58	-5.07	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	2.8%	2.1%	3.8%	7.5%	9.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	85.8%	122.4%	100.1%	100.9%	117.8%	25
CWIP as a % of Plant	1.1%	1.2%	0.2%		0.9%	26

Current Assets	1,515,605	1,382,720	1,265,229	1,000,806	787,224
Current Liabilities	55,725	48,267	54,935	21,042	45,331
Total Capitalization	1,964,105	1,909,342	1,869,232	1,799,087	1,668,569
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,964,105	1,909,342	1,869,232	1,799,087	1,668,569
Short-Term Debt					
Pretax Income	43,188	37,885	96,539	174,433	183,839
Interest Expense	(40,978)	(38,226)	(40,154)	(31,253)	(36,286)
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	54,763	40,110	70,145	130,518	154,737
Internal Cash	78,826	82,924	16,073	67,079	86,616
Cash Outflows for Construction	(91,819)	(67,747)	(16,062)	(66,463)	(73,543)
CWIP	35,873	36,918	6,805		26,409
Total Plant	3,242,351	3,151,184	3,090,330	3,077,113	3,040,109
Shares Outstanding	695	695	695	695	695
Number of Employees	6	6	6	6	8

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$516,780	(\$93,681)	(\$481,677)	(\$448,036)	(\$141,025)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	425,038	438,890	480,058	530,789	517,954	2
Changes in Deferred Income Taxes	231,156	16,296	(100,036)	(144,873)	(14,827)	3
Changes in Working Capital	407,934	329,838	(53,867)	302,937	(10,784)	4
Capitalized AFDC - Equity						5
Other	(940,379)	(200,446)	(28,088)	61,170	(120,838)	6
Total Non-Cash Items	123,749	584,578	298,067	750,023	371,505	7
Net Cash Provided From Operating Activities	<u>640,529</u>	<u>490,897</u>	<u>(183,610)</u>	<u>301,987</u>	<u>230,480</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(17,770)	(35,398)	(36,615)	(69,177)	(156,420)	9
Purchase of Other Investments						10
Sale of Other Investments					14,923	11
Other			(2)			12
Net Cash Provided From Investing Activities	<u>(17,770)</u>	<u>(35,398)</u>	<u>(36,617)</u>	<u>(69,177)</u>	<u>(141,497)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(197,726)	(188,048)	(178,924)	(170,347)	(162,116)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(222,500)	(224,000)	446,500			17
Dividends Paid	(8,927)	(8,927)	(8,927)	(8,927)	(8,927)	18
Other Financing	(189,753)	(34,158)	(27,894)	(198,749)	44,164	19
Net Cash Provided From Financing Activities	<u>(618,906)</u>	<u>(455,133)</u>	<u>230,755</u>	<u>(378,023)</u>	<u>(126,879)</u>	20
Net Increase (Decrease) in Cash & Equivalents	3,853	366	10,528	(145,213)	(37,896)	21
Cash & Equivalents at Beginning of Year	11,669	11,303	775	145,988	183,884	22
Cash & Equivalents at End of Year	\$15,522	\$11,669	\$11,303	\$775	\$145,988	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,182,870	\$4,073,247	\$4,348,224	\$4,568,657	\$4,750,230
2 Access Lines	3,844	3,952	4,022	4,100	4,203
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,321,513	\$2,031,574	\$2,812,316	\$2,848,464	2,848,498
4 Depreciation and Amortization	423,589	437,441	478,609	529,340	516,505
5 Other Operations Expense	1,593,156	1,468,176	1,483,755	1,485,342	1,483,124
6 Total Operation Expenses	4,338,258	3,937,191	4,774,680	4,863,146	4,848,127
7 Income Taxes - Operating Taxes	(107,175)	(3,179)	(228,673)	(188,061)	(114,294)
8 Other Taxes - Operating Taxes	147,120	144,064	199,226	208,801	225,068
9 Capital Costs	(195,333)	(4,829)	(397,009)	(315,229)	(208,671)
10 Total	\$4,182,870	\$4,073,247	\$4,348,224	\$4,568,657	\$4,750,230
PERCENT OF REVENUES					
11 Wages and Benefits	55.5	49.9	64.7	62.3	60.0
12 Depreciation and Amortization	10.1	10.7	11.0	11.6	10.9
13 Other Operations Expense	38.1	36.0	34.1	32.5	31.2
14 Income Taxes - Operating Taxes	(2.6)	(0.1)	(5.3)	(4.1)	(2.4)
15 Other Taxes - Operating Taxes	3.5	3.5	4.6	4.6	4.7
16 Capital Costs	(4.7)	(0.1)	(9.1)	(6.9)	(4.4)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	603.93	514.06	699.23	694.75	677.73
19 Depreciation and Amortization	110.19	110.69	119.00	129.11	122.89
20 Other Operations Expense	414.45	371.50	368.91	362.28	352.87
21 Income Taxes - Operating Taxes	(27.88)	(0.80)	(56.86)	(45.87)	(27.19)
22 Other Taxes - Operating Taxes	38.27	36.45	49.53	50.93	53.55
23 Capital Costs	(50.82)	(1.22)	(98.71)	(76.89)	(49.65)
24 Total	1,088.16	1,030.68	1,081.11	1,114.31	1,130.20

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,411,755	\$2,418,240	\$2,454,286	\$2,550,894	\$2,581,128	1
Central Office Assets	3,101,500	3,076,128	3,028,980	3,031,328	3,101,951	2
Information Origination/Termination	26,734	26,734	26,734	26,734	26,734	3
Cable And Wire Facilities	7,392,044	7,378,496	7,362,139	7,337,871	7,291,419	4
Amortizable Assets						5
Total Plant In Service	12,932,033	12,899,598	12,872,139	12,946,827	13,001,232	6
Property Held For Future Use						7
Plant Under Construction	(26,999)	23,296	48,496	23,477	28,919	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,905,034	12,922,894	12,920,635	12,970,304	13,030,151	13
Less Acc. Prov. For Depreciation & Amort.	9,856,509	9,460,929	9,058,248	8,693,199	8,297,599	14
Net Total Utility Plant	\$3,048,525	\$3,461,965	\$3,862,387	\$4,277,105	\$4,732,552	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.87	0.98	0.99	1.21	1.48	16
Total Capitalization	\$1,922,166	\$1,824,460	\$2,878,062	\$3,128,984	\$3,955,043	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt		11.1%	13.6%	18.2%	18.7%	18
Preferred Stock	7.1%	7.5%	4.8%	4.4%	3.5%	19
Common Stock & Retained Earnings	84.2%	60.3%	60.5%	72.2%	73.7%	20
Short-Term Debt	8.7%	21.1%	21.1%	5.2%	4.1%	21
Pretax Coverage of Interest Expense	23.85	-1.13	-14.78	-14.07	-4.09	22
Com. Stock Dividends as a % of Earnings	8.8%	-29.2%	-12.2%	-13.1%	-39.9%	23
Return on Common Equity	37.4%	-7.2%	-24.5%	-17.7%	-5.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	3604.6%	1386.8%	-501.5%	436.5%	147.3%	25
CWIP as a % of Plant	-0.2%	0.2%	0.4%	0.2%	0.2%	26

Current Assets	1,985,378	3,180,142	3,054,351	2,759,929	2,780,328
Current Liabilities	2,284,233	3,242,252	3,074,310	2,289,013	1,883,095
Total Capitalization	1,922,166	1,824,460	2,878,062	3,128,984	3,955,043
Long-Term Debt		202,598	390,647	569,571	739,918
Preferred Stock	137,350	137,350	137,350	137,350	137,350
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,617,863	1,099,931	1,741,484	2,259,982	2,915,694
Short-Term Debt	166,953	384,581	608,581	162,081	162,081
Pretax Income	419,439	(53,184)	(670,031)	(597,523)	(206,839)
Interest Expense	17,585	47,153	45,337	42,480	50,566
Common Dividends Paid	44,916	29,944	59,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	507,853	(102,608)	(490,604)	(456,963)	(149,952)
Internal Cash	640,529	490,897	(183,610)	301,987	230,480
Cash Outflows for Construction	(17,770)	(35,398)	(36,615)	(69,177)	(156,420)
CWIP	(26,999)	23,296	48,496	23,477	28,919
Total Plant	12,905,034	12,922,894	12,920,635	12,970,304	13,030,151
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	30	31	31	32	33

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$462,347	\$484,327	\$276,058	\$429,031	\$1,134,650	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	833,808	750,394	632,258	970,765	372,067	2
Changes in Deferred Income Taxes	(44,310)	(76,591)	(24,365)	(96,430)	164,574	3
Changes in Working Capital	(269,557)	156,985	(7,346)	(132,393)	927,224	4
Capitalized AFDC - Equity	0	0				5
Other	(703,494)	(789,117)	306,720	(601,968)	(2,054,535)	6
Total Non-Cash Items	(183,553)	41,671	907,267	139,974	(590,670)	7
Net Cash Provided From Operating Activities	<u>278,794</u>	<u>525,998</u>	<u>1,183,325</u>	<u>569,005</u>	<u>543,980</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(278,794)	(525,998)	(1,183,326)	(572,853)	(544,738)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other			2			12
Net Cash Provided From Investing Activities	<u>(278,794)</u>	<u>(525,998)</u>	<u>(1,183,324)</u>	<u>(572,853)</u>	<u>(544,738)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	0	1	(3,848)	(758)	21
Cash & Equivalents at Beginning of Year	600	600	599	4,447	5,205	22
Cash & Equivalents at End of Year	\$600	\$600	\$600	\$599	\$4,447	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,562,907	\$5,019,076	\$4,942,954	\$5,433,135	\$6,387,322
2 Access Lines	5,386	6,016	6,360	7,099	7,666

DOLLAR AMOUNTS

3 Wages and Benefits	\$833,271	\$946,815	\$1,078,617	\$1,298,468	1,364,972
4 Depreciation and Amortization	833,808	750,394	632,258	970,765	1,434,453
5 Other Operations Expense	2,284,389	2,675,417	2,877,726	2,848,905	3,088,243
6 Total Operation Expenses	3,951,468	4,372,626	4,598,601	5,118,139	5,887,668
7 Income Taxes - Operating Taxes	61,445	53,448	(79,865)	(88,286)	(29,043)
8 Other Taxes - Operating Taxes	403,546	442,693	448,959	418,613	463,633
9 Capital Costs	146,448	150,309	(24,741)	(15,331)	65,064
10 Total	\$4,562,907	\$5,019,076	\$4,942,954	\$5,433,135	\$6,387,322

PERCENT OF REVENUES

11 Wages and Benefits	18.3	18.9	21.8	23.9	21.4
12 Depreciation and Amortization	18.3	15.0	12.8	17.9	22.5
13 Other Operations Expense	50.1	53.3	58.2	52.4	48.3
14 Income Taxes - Operating Taxes	1.3	1.1	(1.6)	(1.6)	(0.5)
15 Other Taxes - Operating Taxes	8.8	8.8	9.1	7.7	7.3
16 Capital Costs	3.2	3.0	(0.5)	(0.3)	1.0
17 Total	100.0	100.0	99.8	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	154.71	157.38	169.59	182.91	178.06
19 Depreciation and Amortization	154.81	124.73	99.41	136.75	187.12
20 Other Operations Expense	424.13	444.72	452.47	401.31	402.85
21 Income Taxes - Operating Taxes	11.41	8.88	(12.56)	(12.44)	(3.79)
22 Other Taxes - Operating Taxes	74.93	73.59	70.59	58.97	60.48
23 Capital Costs	27.19	24.98	(3.89)	(2.16)	8.49
24 Total	847.18	834.29	775.62	765.34	833.20

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,713,906	\$4,669,407	\$4,635,831	\$4,626,393	\$4,708,401	1
Central Office Assets	13,236,415	12,939,476	13,001,272	12,917,424	12,964,607	2
Information Origination/Termination	7,400	7,400	7,400	7,400	7,400	3
Cable And Wire Facilities	12,757,134	12,660,822	12,450,902	12,371,356	12,253,367	4
Amortizable Assets						5
Total Plant In Service	30,714,854	30,277,105	30,095,405	29,922,573	29,933,775	6
Property Held For Future Use						7
Plant Under Construction	546,969	914,936	1,135,285	233,221	135,000	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	31,261,823	31,192,041	31,230,690	30,155,794	30,068,775	13
Less Acc. Prov. For Depreciation & Amort.	22,883,308	22,259,646	22,073,901	21,550,071	21,065,138	14
Net Total Utility Plant	\$8,378,515	\$8,932,394	\$9,156,789	\$8,605,723	\$9,003,637	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.04	0.87	0.96	0.95	0.91	16
Total Capitalization	\$7,010,940	\$7,099,593	\$7,554,266	\$7,026,207	\$7,307,176	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(1,392.67)	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	6.6%	6.6%	3.8%	6.1%	0.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	100.0%	100.0%	99.3%	99.9%	25
CWIP as a % of Plant	1.7%	2.9%	3.6%	0.8%	0.4%	26

Current Assets	1,320,722	1,476,944	1,423,580	1,225,105	1,942,884
Current Liabilities	1,269,382	1,693,098	1,479,847	1,294,374	2,131,543
Total Capitalization	7,010,940	7,099,593	7,554,266	7,026,207	7,307,176
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,010,940	7,099,593	7,554,266	7,026,207	7,307,176
Short-Term Debt					
Pretax Income	549,791	565,874	231,674	385,888	455,404
Interest Expense					(327)
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	466,059	485,341	277,161	433,952	69,733
Internal Cash	278,794	525,998	1,183,325	569,005	543,980
Cash Outflows for Construction	(278,794)	(525,998)	(1,183,326)	(572,853)	(544,738)
CWIP	546,969	914,936	1,135,285	233,221	135,000
Total Plant	31,261,823	31,192,041	31,230,690	30,155,794	30,068,775
Shares Outstanding	100	100	100	100	100
Number of Employees	13	13	15	18	50

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$784,265)	(\$68,862)	\$131,316	(\$36,052)	(\$446,773)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	545,587	407,782	791,125	774,462	708,858	2
Changes in Deferred Income Taxes	(58,928)	(5,895)	(126,419)	(33,494)	(27,939)	3
Changes in Working Capital	23,608	(477,194)	231,087	(27,594)	(518,869)	4
Capitalized AFDC - Equity						5
Other	627,235	64,603	(221,161)	(258,027)	449,359	6
Total Non-Cash Items	1,137,502	(10,704)	674,632	455,347	611,409	7
Net Cash Provided From Operating Activities	<u>353,237</u>	<u>(79,566)</u>	<u>805,948</u>	<u>419,295</u>	<u>164,636</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(338,254)	(264,321)	(195,518)	(186,976)	(132,720)	9
Purchase of Other Investments						10
Sale of Other Investments			1,047	535	115,943	11
Other	7,875	23,419	6,846	15,287	26,387	12
Net Cash Provided From Investing Activities	<u>(330,379)</u>	<u>(240,902)</u>	<u>(187,625)</u>	<u>(171,154)</u>	<u>9,610</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	30,657	(30,295)	(86,172)	(140,272)	(133,464)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(19,804)	(76,455)	(72,481)	(119,029)	(35,139)	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>4,353</u>	<u>(113,250)</u>	<u>(165,153)</u>	<u>(265,801)</u>	<u>(175,103)</u>	20
Net Increase (Decrease) in Cash & Equivalents	27,211	(433,718)	453,170	(17,660)	(857)	21
Cash & Equivalents at Beginning of Year	80,581	514,299	61,129	78,789	79,646	22
Cash & Equivalents at End of Year	\$107,792	\$80,581	\$514,299	\$61,129	\$78,789	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,261,963	\$2,362,270	\$2,477,811	\$2,417,421	\$2,604,165
2 Access Lines	2,462	2,515	2,605	2,707	2,861
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,111,793	\$1,043,650	\$979,537	\$969,583	\$1,008,106
4 Depreciation and Amortization	451,712	361,140	744,483	724,483	664,108
5 Other Operations Expense	843,110	809,872	839,963	546,240	816,761
6 Total Operation Expenses	2,406,615	2,214,662	2,563,983	2,240,306	2,488,975
7 Income Taxes - Operating Taxes	(79,278)	24,530	(69,100)	20,422	(5,108)
8 Other Taxes - Operating Taxes	100,206	103,256	122,236	130,466	141,410
9 Capital Costs	(165,580)	19,822	(139,308)	26,227	(21,112)
10 Total	\$2,261,963	\$2,362,270	\$2,477,811	\$2,417,421	\$2,604,165
PERCENT OF REVENUES					
11 Wages and Benefits	49.2	44.2	39.5	40.1	38.7
12 Depreciation and Amortization	20.0	15.3	30.0	30.0	25.5
13 Other Operations Expense	37.3	34.3	33.9	22.6	31.4
14 Income Taxes - Operating Taxes	(3.5)	1.0	(2.8)	0.8	(0.2)
15 Other Taxes - Operating Taxes	4.4	4.4	4.9	5.4	5.4
16 Capital Costs	(7.3)	0.8	(5.6)	1.1	(0.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	451.58	414.97	376.02	358.18	352.36
19 Depreciation and Amortization	183.47	143.59	285.79	267.63	232.12
20 Other Operations Expense	342.45	322.02	322.44	201.79	285.48
21 Income Taxes - Operating Taxes	(32.20)	9.75	(26.53)	7.54	(1.79)
22 Other Taxes - Operating Taxes	40.70	41.06	46.92	48.20	49.43
23 Capital Costs	(67.25)	7.88	(53.48)	9.69	(7.38)
24 Total	918.75	939.27	951.18	893.03	910.23

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,067,532	\$3,051,712	\$3,007,388	\$2,996,545	\$2,995,192	1
Central Office Assets	5,627,238	5,579,640	5,521,648	5,671,008	5,669,095	2
Information Origination/Termination	35,127	35,127	35,127	35,127	35,127	3
Cable And Wire Facilities	6,273,619	6,156,512	6,048,877	5,998,651	5,932,583	4
Amortizable Assets	140,687	140,687	140,687	140,687	140,687	5
Total Plant In Service	15,144,203	14,963,678	14,753,727	14,842,018	14,772,684	6
Property Held For Future Use						7
Plant Under Construction	4,919	11,042	14,830	44,885	8,200	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	35,834	35,834	35,834	35,834	35,834	11
Goodwill						12
Total Telecommunications Plant	15,184,956	15,010,554	14,804,391	14,922,737	14,816,718	13
Less Acc. Prov. For Depreciation & Amort.	12,551,162	12,161,552	11,788,509	11,303,711	10,594,616	14
Net Total Utility Plant	\$2,633,794	\$2,849,002	\$3,015,882	\$3,619,026	\$4,222,102	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	21.47	17.37	21.71	7.44	3.96	16
Total Capitalization	\$5,006,893	\$5,786,806	\$5,968,918	\$6,003,446	\$6,305,602	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.1%	0.6%	1.1%	1.6%	2.9%	18
Preferred Stock	2.6%	2.2%	2.2%	2.2%	2.1%	19
Common Stock & Retained Earnings	95.5%	96.3%	94.6%	92.0%	88.3%	20
Short-Term Debt	0.8%	0.9%	2.1%	4.2%	6.8%	21
Pretax Coverage of Interest Expense	174.93	11.45	-38.49	-0.75	-14.77	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-15.3%	-1.3%	2.2%	-0.8%	-7.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	104.4%	-30.1%	412.2%	224.3%	124.0%	25
CWIP as a % of Plant	0.0%	0.1%	0.1%	0.3%	0.1%	26

Current Assets	4,212,830	4,248,520	4,084,512	4,176,949	4,594,373
Current Liabilities	196,191	244,607	188,116	561,149	1,161,402
Total Capitalization	5,006,893	5,786,806	5,968,918	6,003,446	6,305,602
Long-Term Debt	55,164	34,315	66,154	96,441	182,621
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,780,086	5,570,852	5,646,214	5,522,089	5,564,944
Short-Term Debt	41,643	51,639	126,550	254,916	428,037
Pretax Income	(869,040)	(50,912)	61,509	(6,404)	(418,290)
Interest Expense	(4,968)	(4,445)	(1,598)	8,557	28,321
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(790,765)	(75,362)	124,816	(42,552)	(453,273)
Internal Cash	353,237	(79,566)	805,948	419,295	164,636
Cash Outflows for Construction	(338,254)	(264,321)	(195,518)	(186,976)	(132,720)
CWIP	4,919	11,042	14,830	44,885	8,200
Total Plant	15,184,956	15,010,554	14,804,391	14,922,737	14,816,718
Shares Outstanding	140	140	140	140	140
Number of Employees	13	14	15	15	17

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$94,367	\$116,651	\$223,354	(\$1,192)	\$126,898	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	404,632	389,482	411,686	460,912	503,498	2
Changes in Deferred Income Taxes	(30,163)	(137,528)	103,448	(68,188)	(42,051)	3
Changes in Working Capital	606,910	(126,796)	(119,843)	(152,870)	320,154	4
Capitalized AFDC - Equity						5
Other	(277,269)	(109,373)	(617,892)	(12,527)	(174,047)	6
Total Non-Cash Items	704,110	15,785	(222,601)	227,327	607,554	7
Net Cash Provided From Operating Activities	<u>798,476</u>	<u>132,436</u>	<u>753</u>	<u>226,135</u>	<u>734,453</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(75,754)	(84,328)	(2,247)	(221,046)	(458,576)	9
Purchase of Other Investments						10
Sale of Other Investments	18,654	290	11,952	5,489	46,829	11
Other	(41,711)	(48,740)	(49,957)	(45,351)	(54,218)	12
Net Cash Provided From Investing Activities	<u>(98,811)</u>	<u>(132,778)</u>	<u>(40,251)</u>	<u>(260,908)</u>	<u>(465,965)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(229,919)	(240,424)	(238,198)	(227,888)	(217,712)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(472,683)	222,891	264,507	203,824	(105,996)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(702,602)</u>	<u>(17,533)</u>	<u>26,309</u>	<u>(24,064)</u>	<u>(323,708)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(2,937)	(17,875)	(13,190)	(58,837)	(55,220)	21
Cash & Equivalents at Beginning of Year	23,595	41,470	54,659	113,496	168,716	22
Cash & Equivalents at End of Year	\$20,658	\$23,595	\$41,470	\$54,659	\$113,496	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,504,176	\$1,526,039	\$1,637,803	\$1,624,369	\$1,840,455
2 Access Lines	707	768	853	917	1,040
DOLLAR AMOUNTS					
3 Wages and Benefits	\$679,703	\$625,055	\$674,278	\$750,750	\$771,393
4 Depreciation and Amortization	350,259	334,806	354,232	408,809	451,396
5 Other Operations Expense	400,647	534,787	611,036	572,033	636,610
6 Total Operation Expenses	1,430,609	1,494,648	1,639,547	173,259	1,859,398
7 Income Taxes - Operating Taxes	(31,092)	(155,271)	(107,148)	(149,632)	(82,192)
8 Other Taxes - Operating Taxes	75,015	86,498	80,650	95,954	154,190
9 Capital Costs	29,644	100,165	24,754	1,504,787	(90,941)
10 Total	\$1,504,176	\$1,526,039	\$1,637,803	\$1,624,369	\$1,840,455
PERCENT OF REVENUES					
11 Wages and Benefits	45.2	41.0	41.2	46.2	41.9
12 Depreciation and Amortization	23.3	21.9	21.6	25.2	24.5
13 Other Operations Expense	26.6	35.0	37.3	35.2	34.6
14 Income Taxes - Operating Taxes	(2.1)	(10.2)	(6.5)	(9.2)	(4.5)
15 Other Taxes - Operating Taxes	5.0	5.7	4.9	5.9	8.4
16 Capital Costs	2.0	6.6	1.5	92.6	(4.9)
17 Total	100.0	100.0	100.0	195.9	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	961.39	813.87	790.48	818.70	741.72
19 Depreciation and Amortization	495.42	435.95	415.28	445.81	434.03
20 Other Operations Expense	566.69	696.34	716.34	623.81	612.13
21 Income Taxes - Operating Taxes	(43.98)	(202.18)	(125.61)	(163.18)	(79.03)
22 Other Taxes - Operating Taxes	106.10	112.63	94.55	104.64	148.26
23 Capital Costs	41.93	130.42	29.02	1,640.99	(87.44)
24 Total	2,127.55	1,987.03	1,920.05	3,470.78	1,769.67

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,988,801	\$1,955,319	\$1,940,766	\$1,995,323	\$1,983,368	1
Central Office Assets	2,832,417	2,837,748	2,765,648	2,761,768	2,711,264	2
Information Origination/Termination	107,830	107,830	107,830	107,830	107,830	3
Cable And Wire Facilities	4,548,988	4,546,199	4,542,169	4,526,384	4,490,833	4
Amortizable Assets	214	214	214	214	214	5
Total Plant In Service	9,478,250	9,447,310	9,356,629	9,391,519	9,293,509	6
Property Held For Future Use						7
Plant Under Construction	(1,188)	1,840	8,349	34,471	13,429	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,477,062	9,449,151	9,364,978	9,425,990	9,306,939	13
Less Acc. Prov. For Depreciation & Amort.	6,779,500	6,408,462	6,023,550	5,667,980	5,308,379	14
Net Total Utility Plant	\$2,697,562	\$3,040,689	\$3,341,428	\$3,758,010	\$3,998,560	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	(2.62)	4.39	5.73	68.79	(26.19)	16
Total Capitalization	\$8,930,047	\$9,565,078	\$9,492,314	\$8,537,939	\$8,564,182	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	25.1%	25.9%	28.6%	34.6%	37.2%	18
Preferred Stock	0.3%	0.2%	0.2%	0.3%	0.3%	19
Common Stock & Retained Earnings	71.9%	66.5%	66.0%	62.5%	62.4%	20
Short-Term Debt	2.7%	7.4%	5.1%	2.6%	0.2%	21
Pretax Coverage of Interest Expense	1.45	0.83	1.79	0.14	1.32	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.5%	1.8%	3.8%	0.0%	2.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1054.0%	157.0%	33.5%	102.3%	160.2%	25
CWIP as a % of Plant	0.0%	0.0%	0.1%	0.4%	0.1%	26

Current Assets	804,259	1,618,631	1,651,830	1,456,480	1,416,711
Current Liabilities	(306,614)	368,955	288,044	21,173	(54,089)
Total Capitalization	8,930,047	9,565,078	9,492,314	8,537,939	8,564,182
Long-Term Debt	2,245,797	2,475,716	2,716,140	2,954,338	3,182,227
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,424,498	6,356,927	6,266,629	5,338,563	5,340,741
Short-Term Debt	236,752	709,436	486,544	222,038	18,213
Pretax Income	232,767	134,459	290,238	22,033	234,134
Interest Expense	160,373	162,945	162,011	161,793	177,564
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	94,367	116,651	223,354	(1,192)	126,898
Internal Cash	798,476	132,436	753	226,135	734,453
Cash Outflows for Construction	(75,754)	(84,328)	(2,247)	(221,046)	(458,576)
CWIP	(1,188)	1,840	8,349	34,471	13,429
Total Plant	9,477,062	9,449,151	9,364,978	9,425,992	9,306,939
Shares Outstanding	420	420	420	420	420
Number of Employees	21	23	21	21	24

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$6,132,801	\$18,518,465	\$28,714,224	\$32,540,890	\$37,390,680	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	43,184,642	40,921,783	39,313,359	40,400,175	39,334,183	2
Changes in Deferred Income Taxes	(3,239,865)	(4,840,426)	4,047,708	4,047,708	4,047,708	3
Changes in Working Capital	2,077,602	(96,002,837)	101,459,964	5,249,892	3,775,839	4
Capitalized AFDC - Equity	0					5
Other	(264,561)	1,876,208	(691,565)	601,690	1,803,256	6
Total Non-Cash Items	41,757,819	(58,045,272)	144,129,466	50,299,465	48,960,985	7
Net Cash Provided From Operating Activities	<u>47,890,619</u>	<u>(39,526,807)</u>	<u>172,843,690</u>	<u>82,840,355</u>	<u>86,351,665</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(9,232,026)	(10,965,476)	(10,805,846)	(13,714,699)	(17,583,549)	9
Purchase of Other Investments	(38,658,714)	50,492,403	(162,038,894)	180,919,372	181,528,636	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(47,890,739)</u>	<u>39,526,927</u>	<u>(172,844,740)</u>	<u>167,204,673</u>	<u>163,945,087</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(250,000,000)	(250,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(250,000,000)</u>	<u>(250,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(120)	120	(1,050)	45,028	296,752	21
Cash & Equivalents at Beginning of Year	120	(0)	1,050	(43,783)	(340,535)	22
Cash & Equivalents at End of Year	(\$0)	\$120	(\$0)	\$1,245	(\$43,783)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$161,150,453	\$170,356,323	\$184,122,994	\$195,320,201	\$205,178,874
2 Access Lines	152,806	165,148	177,512	198,171	202,329
DOLLAR AMOUNTS					
3 Wages and Benefits	\$17,372,976	\$20,369,372	\$22,236,962	\$20,786,312	\$21,812,395
4 Depreciation and Amortization	41,039,223	41,461,059	41,477,939	40,400,175	39,334,183
5 Other Operations Expense	70,540,948	64,300,932	60,715,927	70,610,329	71,532,305
6 Total Operation Expenses	128,953,147	126,131,363	124,430,828	131,796,816	132,678,883
7 Income Taxes - Operating Taxes	(1,696,974)	2,656,398	8,374,307	10,245,354	11,713,801
8 Other Taxes - Operating Taxes	9,681,314	9,260,618	10,101,050	9,127,361	10,569,920
9 Capital Costs	24,212,967	32,307,943	41,216,809	44,150,671	50,216,270
10 Total	\$161,150,453	\$170,356,323	\$184,122,994	\$195,320,201	\$205,178,874
PERCENT OF REVENUES					
11 Wages and Benefits	10.8	12.0	12.1	10.6	10.6
12 Depreciation and Amortization	25.5	24.3	22.5	20.7	19.2
13 Other Operations Expense	43.8	37.7	33.0	36.2	34.9
14 Income Taxes - Operating Taxes	(1.1)	1.6	4.5	5.2	5.7
15 Other Taxes - Operating Taxes	6.0	5.4	5.5	4.7	5.2
16 Capital Costs	15.0	19.0	22.4	22.6	24.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	113.69	123.34	125.27	104.89	107.81
19 Depreciation and Amortization	268.57	251.05	233.66	203.87	194.41
20 Other Operations Expense	461.64	389.35	342.04	356.31	353.54
21 Income Taxes - Operating Taxes	(11.11)	16.08	47.18	51.70	57.89
22 Other Taxes - Operating Taxes	63.36	56.07	56.90	46.06	52.24
23 Capital Costs	158.46	195.63	232.19	222.79	248.19
24 Total	1,054.61	1,031.54	1,037.24	985.61	1,014.09

Notes:

(1) Citizen's expenses increased in 1997 by \$12 M (pre-tax) relating to a management buyout and payment to fully fund its OPEB expenses. Also, 1997 expenses increased due to an increase in plant specific expenses.

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$69,242,709	\$69,108,427	\$71,134,268	\$72,224,348	\$69,942,722	1
Central Office Assets	431,359,895	427,380,329	421,460,283	416,602,900	410,300,131	2
Information Origination/Termination	16,920,482	16,904,910	16,772,747	16,580,951	16,386,214	3
Cable And Wire Facilities	526,446,596	518,398,431	511,445,650	503,186,182	494,164,717	4
Amortizable Assets	3,981,012	3,981,012	3,981,012	3,981,012	3,981,012	5
Total Plant In Service	1,047,950,695	1,035,773,110	1,024,793,960	1,012,575,393	994,774,796	6
Property Held For Future Use						7
Plant Under Construction	5,350,471	8,296,031	8,309,705	9,723,559	12,604,470	8
Tel. Acquisition	142,404,998	142,404,998	142,404,998	142,404,998	142,404,998	9
Other Plant						10
Nonoperating Plant	38,728	38,728	38,728	37,599	37,599	11
Goodwill						12
Total Telecommunications Plant	1,195,744,893	1,186,512,867	1,175,547,391	1,164,741,549	1,149,821,863	13
Less Acc. Prov. For Depreciation & Amort.	1,018,000,633	974,815,991	933,894,208	894,580,852	852,975,688	14
Net Total Utility Plant	\$177,744,260	\$211,696,876	\$241,653,183	\$270,160,697	\$296,846,175	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.84	0.93	0.37	1.08	1.30	16
Total Capitalization	(\$148,510,422)	(\$154,643,223)	(\$173,161,689)	(\$201,875,912)	\$15,583,195	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	15462.23	15745.29	138730.62	560406.43	488576.07	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	768.3%	668.6%	23
Return on Common Equity	-4.0%	-11.3%	-15.3%	-34.9%	30.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	518.7%	-360.5%	1837.0%	787.2%	651.6%	25
CWIP as a % of Plant	0.4%	0.7%	0.7%	0.8%	1.1%	26

Notes:

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

Current Assets	24,743,751	37,815,188	55,407,864	71,419,078	45,930,988
Current Liabilities	29,380,039	40,592,080	151,145,140	66,214,237	35,203,457
Total Capitalization	(148,510,422)	(154,643,223)	(173,161,689)	(201,875,912)	15,583,195
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(148,510,422)	(154,643,223)	(173,161,689)	(201,875,912)	15,583,195
Short-Term Debt					
Pretax Income	10,020,610	29,134,615	43,733,440	48,755,359	56,186,248
Interest Expense	648	1,850	315	87	115
Common Dividends Paid				250,000,000	250,000,000
Net Income (Excl. Preferred Stock Dividends)	6,132,801	18,518,465	28,714,224	32,540,897	37,390,679
Internal Cash	47,890,619	(39,526,807)	198,508,217	107,963,349	114,579,920
Cash Outflows for Construction	(9,232,026)	(10,965,476)	(10,805,846)	(13,714,699)	(17,583,549)
CWIP	5,350,471	8,296,031	8,309,704	9,723,559	12,604,470
Total Plant	1,195,744,893	1,186,512,867	1,175,547,391	1,164,741,549	1,149,821,863
Shares Outstanding	200	200	200		
Number of Employees	242	243	257	272	271

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$2,400)	(\$472,035)	\$51,824	\$20,154	(\$187,425)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	306,493	306,005	303,206	302,342	300,334	2
Changes in Deferred Income Taxes	(26,015)	146,523	(48,712)	603	2,990	3
Changes in Working Capital	(36,193)	188,437	(218,337)	(19,672)	(5,541)	4
Capitalized AFDC - Equity						5
Other	(11,195)	(15,213)	(74,320)	38,657	67,312	6
Total Non-Cash Items	233,090	625,752	(38,163)	321,930	365,095	7
Net Cash Provided From Operating Activities	<u>230,690</u>	<u>153,717</u>	<u>13,661</u>	<u>342,084</u>	<u>177,670</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	7,527	(5,482)	4,675	(37,027)	(15,349)	9
Purchase of Other Investments	2,591	(1)	(135)			10
Sale of Other Investments	7,986			8,165	(123)	11
Other						12
Net Cash Provided From Investing Activities	<u>18,104</u>	<u>(5,483)</u>	<u>4,540</u>	<u>(28,862)</u>	<u>(15,472)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(184,152)	(164,847)	(156,547)	(190,050)	(157,249)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt		(6,926)	(1,753)	(1,816)	(541)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(184,152)</u>	<u>(171,773)</u>	<u>(158,300)</u>	<u>(191,866)</u>	<u>(157,790)</u>	20
Net Increase (Decrease) in Cash & Equivalents	64,642	(23,539)	(140,099)	121,356	4,408	21
Cash & Equivalents at Beginning of Year	60,356	83,895	223,994	102,638	98,230	22
Cash & Equivalents at End of Year	\$124,998	\$60,356	\$83,895	\$223,994	\$102,638	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,435,141	\$1,305,729	\$1,493,357	\$1,581,295	\$1,536,275
2 Access Lines	736	748	818	780	819
DOLLAR AMOUNTS					
3 Wages and Benefits	\$639,689	\$719,917	\$616,944	\$592,794	\$700,298
4 Depreciation and Amortization	306,238	305,748	302,950	301,905	299,899
5 Other Operations Expense	386,804	511,885	504,070	486,605	492,250
6 Total Operation Expenses	1,332,732	1,537,550	1,423,964	1,381,304	1,492,447
7 Income Taxes - Operating Taxes	(26,387)	167,705	(42,863)	2,578	3,006
8 Other Taxes - Operating Taxes	53,702	52,014	49,425	62,515	69,237
9 Capital Costs	75,094	(451,540)	62,831	134,898	(28,415)
10 Total	\$1,435,141	\$1,305,729	\$1,493,357	\$1,581,295	\$1,536,275
PERCENT OF REVENUES					
11 Wages and Benefits	44.6	55.1	41.3	37.5	45.6
12 Depreciation and Amortization	21.3	23.4	20.3	19.1	19.5
13 Other Operations Expense	27.0	39.2	33.8	30.8	32.0
14 Income Taxes - Operating Taxes	(1.8)	12.8	(2.9)	0.2	0.2
15 Other Taxes - Operating Taxes	3.7	4.0	3.3	4.0	4.5
16 Capital Costs	5.2	(34.6)	4.2	8.5	(1.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	869.14	962.46	754.21	759.99	855.07
19 Depreciation and Amortization	416.08	408.75	370.35	387.06	366.18
20 Other Operations Expense	525.55	684.34	616.22	623.85	601.04
21 Income Taxes - Operating Taxes	(35.85)	224.20	(52.40)	3.31	3.67
22 Other Taxes - Operating Taxes	72.96	69.54	60.42	80.15	84.54
23 Capital Costs	102.03	(603.66)	76.81	172.95	(34.70)
24 Total	1,949.92	1,745.63	1,825.62	2,027.30	1,875.79

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,575,796	\$1,575,795	\$1,575,797	\$1,558,669	\$1,554,251	1
Central Office Assets	2,045,739	2,041,863	2,040,244	2,038,591	2,034,574	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	3,448,104	3,429,185	3,427,227	3,371,069	3,357,009	4
Amortizable Assets						5
Total Plant In Service	7,121,273	7,098,477	7,094,902	7,019,963	6,997,468	6
Property Held For Future Use						7
Plant Under Construction	20,435	21,504	14,438	89,632	78,059	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	7,141,708	7,119,981	7,109,341	7,109,595	7,075,527	13
Less Acc. Prov. For Depreciation & Amort.	5,712,271	5,398,046	5,092,298	4,790,957	4,484,663	14
Net Total Utility Plant	\$1,429,437	\$1,721,935	\$2,017,042	\$2,318,638	\$2,590,864	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.76	0.78	1.54	1.32	1.23	16
Total Capitalization	\$1,835,530	\$2,086,745	\$2,707,096	\$2,810,098	\$2,978,394	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	129.3%	122.6%	100.6%	102.5%	103.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	-29.3%	-22.6%	-0.8%	-2.8%	-3.4%	20
Short-Term Debt			0.3%	0.3%	0.4%	21
Pretax Coverage of Interest Expense	0.94	-2.11	1.02	1.13	-0.11	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	0.5%	177.9%	-103.9%	-22.6%	1546.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-3064.8%	3415.4%	-292.2%	923.9%	1157.5%	25
CWIP as a % of Plant	0.3%	0.3%	0.2%	1.3%	1.1%	26

Current Assets	399,145	418,413	471,900	685,217	547,008
Current Liabilities	525,254	538,769	306,944	520,183	443,035
Total Capitalization	1,835,530	2,086,745	2,707,096	2,810,098	2,978,394
Long-Term Debt	2,373,417	2,557,569	2,722,420	2,878,967	3,069,017
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(537,887)	(470,825)	(22,250)	(77,548)	(101,117)
Short-Term Debt			6,926	8,679	10,495
Pretax Income	120,795	(297,295)	151,262	177,591	(18,467)
Interest Expense	128,028	141,225	148,150	156,834	165,968
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(2,400)	(438,519)	51,824	20,154	(187,425)
Internal Cash	230,690	187,233	13,661	342,084	177,670
Cash Outflows for Construction	7,527	(5,482)	4,675	(37,027)	(15,349)
CWIP	20,435	21,504	14,438	89,632	78,059
Total Plant	7,141,708	7,119,981	7,109,341	7,109,596	7,075,527
Shares Outstanding	243	243	243	243	243
Number of Employees	8	11	11	9	12

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$27,409	\$135,649	\$164,004	\$167,141	\$154,219	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	908,461	885,945	839,266	840,022	792,019	2
Changes in Deferred Income Taxes	42,675	27,174	69,400	118,077	94,001	3
Changes in Working Capital	(102,858)	(43,393)	355,186	(416,498)	(13,034)	4
Capitalized AFDC - Equity						5
Other	(528,801)	58,051	(49,867)	139,835	(146,946)	6
Total Non-Cash Items	319,477	927,777	1,213,985	681,436	726,040	7
Net Cash Provided From Operating Activities	<u>346,886</u>	<u>1,063,426</u>	<u>1,377,989</u>	<u>848,577</u>	<u>880,259</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(735,599)	(781,429)	(520,164)	(574,635)	(2,193,300)	9
Purchase of Other Investments	(22,095)	(10,505)	(10,505)	(10,506)	(10,506)	10
Sale of Other Investments	(6,134)	4,095	6,317	30,948	2,027	11
Other						12
Net Cash Provided From Investing Activities	<u>(763,828)</u>	<u>(787,839)</u>	<u>(524,352)</u>	<u>(554,193)</u>	<u>(2,201,779)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(7,869)	(7,164)	(66,183)	(203,680)	(188,950)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(128,700)	(79,200)	(138,600)	(138,600)	(138,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(136,569)</u>	<u>(86,364)</u>	<u>(204,783)</u>	<u>(342,280)</u>	<u>(327,550)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(553,511)	189,223	648,854	(47,896)	(1,649,070)	21
Cash & Equivalents at Beginning of Year	1,750,322	1,561,100	912,246	960,142	2,609,211	22
Cash & Equivalents at End of Year	\$1,196,811	\$1,750,322	\$1,561,100	\$912,246	\$960,142	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$3,477,948	\$3,576,595	\$3,635,841	\$3,870,786	\$3,573,471
2 Access Lines	3,128	3,234	3,267	3,463	3,676
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,243,497	\$1,255,254	\$1,401,809	\$1,392,350	\$1,293,280
4 Depreciation and Amortization	908,460	885,946	839,021	839,283	791,281
5 Other Operations Expense	1,021,066	1,020,449	989,110	1,052,265	1,114,292
6 Total Operation Expenses	3,173,023	3,161,649	3,229,940	3,283,898	3,198,852
7 Income Taxes - Operating Taxes	25,464	40,751	53,290	103,288	72,534
8 Other Taxes - Operating Taxes	220,090	219,533	249,718	244,549	217,647
9 Capital Costs	59,371	154,662	102,892	239,051	84,437
10 Total	\$3,477,948	\$3,576,595	\$3,635,841	\$3,870,786	\$3,573,471
PERCENT OF REVENUES					
11 Wages and Benefits	35.8	35.1	38.6	36.0	36.2
12 Depreciation and Amortization	26.1	24.8	23.1	21.7	22.1
13 Other Operations Expense	29.4	28.5	27.2	27.2	31.2
14 Income Taxes - Operating Taxes	0.7	1.1	1.5	2.7	2.0
15 Other Taxes - Operating Taxes	6.3	6.1	6.9	6.3	6.1
16 Capital Costs	1.7	4.3	2.8	6.2	2.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	397.54	388.14	429.08	402.06	351.82
19 Depreciation and Amortization	290.43	273.95	256.82	242.36	215.26
20 Other Operations Expense	326.43	315.54	302.76	303.86	303.13
21 Income Taxes - Operating Taxes	8.14	12.60	16.31	29.83	19.73
22 Other Taxes - Operating Taxes	70.36	67.88	76.44	70.62	59.21
23 Capital Costs	18.98	47.82	31.49	69.03	22.97
24 Total	1,111.88	1,105.94	1,112.90	1,117.76	972.11

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$2,500,846	\$2,547,951	\$2,412,425	\$2,431,008	\$2,516,714	1
Central Office Assets	3,895,539	4,636,185	4,564,729	4,511,604	4,521,366	2
Information Origination/Termination	21,072	21,073	21,198	21,198	21,322	3
Cable And Wire Facilities	12,061,423	11,677,590	11,314,111	10,978,825	10,617,233	4
Amortizable Assets						5
Total Plant In Service	18,478,880	18,882,799	18,312,463	17,942,635	17,676,635	6
Property Held For Future Use						7
Plant Under Construction	109,774	85,767	17,148	27,256	53,080	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	18,588,654	18,968,566	18,329,611	17,969,891	17,729,715	13
Less Acc. Prov. For Depreciation & Amort.	11,139,048	11,270,616	10,409,129	9,629,730	8,996,691	14
Net Total Utility Plant	\$7,449,606	\$7,697,950	\$7,920,482	\$8,340,161	\$8,733,024	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.88	8.52	8.32	7.87	8.35	16
Total Capitalization	\$9,225,030	\$9,326,211	\$9,276,926	\$9,317,705	\$9,492,844	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.3%	0.4%	0.5%	1.2%	3.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.7%	99.6%	99.5%	98.8%	96.7%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-0.57	-3.44	-4.42	-8.27	-13.74	22
Com. Stock Dividends as a % of Earnings	469.6%	58.4%	84.5%	82.9%	89.9%	23
Return on Common Equity	0.3%	1.5%	1.8%	1.8%	1.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	47.2%	136.1%	264.9%	147.7%	40.1%	25
CWIP as a % of Plant	0.6%	0.5%	0.1%	0.2%	0.3%	26

Current Assets	2,892,233	3,376,215	3,175,434	2,936,859	2,625,567
Current Liabilities	367,172	396,450	381,628	372,979	314,414
Total Capitalization	9,225,030	9,326,211	9,276,926	9,317,705	9,492,844
Long-Term Debt	30,633	38,502	45,666	111,849	315,529
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,194,397	9,287,709	9,231,260	9,205,856	9,177,315
Short-Term Debt					
Pretax Income	24,849	148,034	190,372	254,442	225,561
Interest Expense	(43,867)	(43,088)	(43,030)	(30,777)	(16,413)
Common Dividends Paid	128,700	79,200	138,600	138,600	138,600
Net Income (Excl. Preferred Stock Dividends)	27,409	135,649	164,004	167,141	154,219
Internal Cash	346,886	1,063,426	1,377,989	848,577	880,260
Cash Outflows for Construction	(735,599)	(781,429)	(520,164)	(574,635)	(2,193,300)
CWIP	109,774	85,767	17,148	27,256	53,080
Total Plant	18,588,654	18,968,566	18,329,611	17,969,891	17,729,715
Shares Outstanding	39,600	39,600	39,600	39,600	39,600
Number of Employees	24	21	24	24	23

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$60,489	(\$66,788)	\$3,777	\$363,519	(\$186,931)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	953,483	984,528	907,963	938,014	756,914	2
Changes in Deferred Income Taxes	55,660	(78,990)	82,387	(17,744)	129,146	3
Changes in Working Capital	(485,914)	843,963	(743,683)	182,325	59,117	4
Capitalized AFDC - Equity	0					5
Other	(80,602)	7,083	(308,870)	10,665	(98,332)	6
Total Non-Cash Items	442,627	1,756,584	(62,203)	1,113,260	846,845	7
Net Cash Provided From Operating Activities	<u>503,116</u>	<u>1,689,796</u>	<u>(58,426)</u>	<u>1,476,779</u>	<u>659,914</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(363,468)	(850,181)	(1,104,014)	(466,799)	(1,142,150)	9
Purchase of Other Investments						10
Sale of Other Investments	34,436	(10,838)	28,003	(13,368)	321,348	11
Other						12
Net Cash Provided From Investing Activities	<u>(329,032)</u>	<u>(861,019)</u>	<u>(1,076,011)</u>	<u>(480,167)</u>	<u>(820,802)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing			(262)	(6,072)	(14,846)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>(262)</u>	<u>(6,072)</u>	<u>(14,846)</u>	20
Net Increase (Decrease) in Cash & Equivalents	174,084	828,777	(1,134,699)	990,540	(175,734)	21
Cash & Equivalents at Beginning of Year	2,417,577	1,588,800	2,723,499	1,732,959	1,908,693	22
Cash & Equivalents at End of Year	\$2,591,661	\$2,417,577	\$1,588,800	\$2,723,499	\$1,732,959	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,658,812	\$5,831,425	\$5,697,955	\$5,669,309	\$5,501,696
2 Access Lines	5,510	5,867	6,316	6,579	6,953
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,041,600	\$2,216,188	\$2,271,752	\$2,045,390	\$1,965,661
4 Depreciation and Amortization	953,483	984,528	907,964	938,015	756,914
5 Other Operations Expense	2,397,868	2,594,927	2,400,942	2,497,758	2,429,404
6 Total Operation Expenses	5,392,951	5,795,643	5,580,658	5,481,163	5,151,979
7 Income Taxes - Operating Taxes	(22,662)	(93,834)	(60,803)	(38,433)	16,694
8 Other Taxes - Operating Taxes	225,535	196,990	177,352	194,492	195,720
9 Capital Costs	62,988	(67,374)	748	32,087	137,303
10 Total	\$5,658,812	\$5,831,425	\$5,697,955	\$5,669,309	\$5,501,696
PERCENT OF REVENUES					
11 Wages and Benefits	36.1	38.0	39.9	36.1	35.7
12 Depreciation and Amortization	16.8	16.9	15.9	16.5	13.8
13 Other Operations Expense	42.4	44.5	42.1	44.1	44.2
14 Income Taxes - Operating Taxes	(0.4)	(1.6)	(1.1)	(0.7)	0.3
15 Other Taxes - Operating Taxes	4.0	3.4	3.1	3.4	3.6
16 Capital Costs	1.1	(1.2)	0.0	0.6	2.5
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	370.53	377.74	359.68	310.90	282.71
19 Depreciation and Amortization	173.05	167.81	143.76	142.58	108.86
20 Other Operations Expense	435.18	442.29	380.14	379.66	349.40
21 Income Taxes - Operating Taxes	(4.11)	(15.99)	(9.63)	(5.84)	2.40
22 Other Taxes - Operating Taxes	40.93	33.58	28.08	29.56	28.15
23 Capital Costs	11.43	(11.48)	0.12	4.88	19.75
24 Total	1,027.01	993.94	902.15	861.73	791.27

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,441,453	\$1,503,484	\$1,496,559	\$1,433,764	\$1,437,112	1
Central Office Assets	8,948,529	9,495,996	9,465,794	9,441,920	10,413,815	2
Information Origination/Termination	31,095	32,949	32,949	32,949	32,949	3
Cable And Wire Facilities	12,315,691	11,737,043	11,596,721	11,502,293	11,409,017	4
Amortizable Assets	275,536	330,612	252,698	125,431	218,308	5
Total Plant In Service	23,012,304	23,100,084	22,844,721	22,536,357	23,511,201	6
Property Held For Future Use						7
Plant Under Construction	32,880	841,872	533,699	150,422	94,450	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,045,184	23,941,956	23,378,420	22,686,779	23,605,651	13
Less Acc. Prov. For Depreciation & Amort.	16,608,884	16,881,206	16,194,160	15,670,568	16,131,593	14
Net Total Utility Plant	\$6,436,300	\$7,060,750	\$7,184,260	\$7,016,211	\$7,474,058	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	3.68	2.47	2.89	2.96	2.80	16
Total Capitalization	\$7,808,714	\$7,699,972	\$7,722,150	\$7,741,006	\$7,417,031	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	99.9%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.1%	21
Pretax Coverage of Interest Expense	97.90	-836.21	-272.61	1425.73	-472.17	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	0.8%	-0.9%	0.0%	4.8%	-2.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	138.4%	198.8%	-5.3%	316.4%	57.8%	25
CWIP as a % of Plant	0.1%	3.5%	2.3%	0.7%	0.4%	26

Current Assets	3,930,792	3,757,024	3,632,017	3,912,743	2,936,334
Current Liabilities	1,068,340	1,520,307	1,258,658	1,322,385	1,050,522
Total Capitalization	7,808,714	7,699,972	7,722,150	7,741,006	7,417,031
Long-Term Debt					262
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,808,714	7,699,972	7,722,150	7,740,744	7,410,697
Short-Term Debt				262	6,072
Pretax Income	39,061	(160,553)	(54,521)	500,430	(343,742)
Interest Expense	399	192	200	351	728
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	60,489	(66,788)	3,777	363,519	(186,931)
Internal Cash	503,116	1,689,796	(58,426)	1,476,779	659,915
Cash Outflows for Construction	(363,468)	(850,181)	(1,104,014)	(466,799)	(1,142,150)
CWIP	32,880	841,872	533,699	150,422	94,450
Total Plant	23,045,184	23,941,956	23,378,420	22,686,779	23,605,651
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	8	9	9	9	9

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$584,804)	(\$383,252)	(\$272,390)	(\$362,460)	(\$116,100)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	824,343	699,245	689,100	701,377	669,988	2
Changes in Deferred Income Taxes	(703,760)	29,457	(87,930)	76,942	70,863	3
Changes in Working Capital	(477,555)	(59,126)	443,493	676,756	(360,742)	4
Capitalized AFDC - Equity						5
Other	1,300,247	(468,213)	(381,803)	(441,752)	(508,339)	6
Total Non-Cash Items	943,275	201,363	662,860	1,013,323	(128,230)	7
Net Cash Provided From Operating Activities	<u>358,471</u>	<u>(181,889)</u>	<u>390,470</u>	<u>650,863</u>	<u>(244,330)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,498,825)	(972,950)	(250,818)	(590,174)	(594,898)	9
Purchase of Other Investments	900,000	1,080,000	(75,000)	(1,645,000)	725,000	10
Sale of Other Investments	62,489	128,112	35,322	61,594	(1,475)	11
Other				1,580,336		12
Net Cash Provided From Investing Activities	<u>(536,336)</u>	<u>235,162</u>	<u>(290,496)</u>	<u>(593,244)</u>	<u>128,627</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	71,356	(59,596)	(87,323)	(42,994)	91,997	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>71,356</u>	<u>(59,596)</u>	<u>(87,323)</u>	<u>(42,994)</u>	<u>91,997</u>	20
Net Increase (Decrease) in Cash & Equivalents	(106,509)	(6,323)	12,651	14,625	(23,706)	21
Cash & Equivalents at Beginning of Year	128,484	134,807	122,156	107,531	131,237	22
Cash & Equivalents at End of Year	\$21,975	\$128,484	\$134,807	\$122,156	\$107,531	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,776,365	\$4,903,621	\$4,826,245	\$5,297,263	\$5,195,518
2 Access Lines	4,979	7,377	7,602	7,850	8,100
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,635,730	\$2,480,683	\$2,323,778	\$2,228,922	\$2,303,213
4 Depreciation and Amortization	824,343	699,245	689,100	701,377	669,988
5 Other Operations Expense	1,940,443	2,254,139	2,171,499	2,528,490	2,365,596
6 Total Operation Expenses	5,400,516	5,434,067	5,184,377	5,458,789	5,338,797
7 Income Taxes - Operating Taxes	(397,893)	(296,584)	(254,360)	(218,979)	(232,924)
8 Other Taxes - Operating Taxes	253,819	296,531	311,740	315,063	298,608
9 Capital Costs	(480,077)	(530,393)	(415,512)	(257,610)	(208,963)
10 Total	\$4,776,365	\$4,903,621	\$4,826,245	\$5,297,263	\$5,195,518
PERCENT OF REVENUES					
11 Wages and Benefits	55.2	50.6	48.1	42.1	44.3
12 Depreciation and Amortization	17.3	14.3	14.3	13.2	12.9
13 Other Operations Expense	40.6	46.0	45.0	47.7	45.5
14 Income Taxes - Operating Taxes	(8.3)	(6.0)	(5.3)	(4.1)	(4.5)
15 Other Taxes - Operating Taxes	5.3	6.0	6.5	5.9	5.7
16 Capital Costs	(10.1)	(10.8)	(8.6)	(4.9)	(4.0)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	529.37	336.27	305.68	283.94	284.35
19 Depreciation and Amortization	165.56	94.79	90.65	89.35	82.71
20 Other Operations Expense	389.73	305.56	285.65	322.10	292.05
21 Income Taxes - Operating Taxes	(79.91)	(40.20)	(33.46)	(27.90)	(28.76)
22 Other Taxes - Operating Taxes	50.98	40.20	41.01	40.14	36.87
23 Capital Costs	(96.42)	(71.90)	(54.66)	(32.82)	(25.80)
24 Total	959.30	664.72	634.87	674.81	641.42

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$4,701,734	\$4,473,267	\$4,686,025	\$4,692,234	\$4,841,611	1
Central Office Assets	4,211,182	4,212,514	6,441,019	7,820,470	7,537,220	2
Information Origination/Termination	438,557	438,557	438,557	438,557	438,557	3
Cable And Wire Facilities	5,850,966	5,726,061	5,621,886	5,627,453	5,523,098	4
Amortizable Assets	123,862	123,862	123,862	103,127	103,127	5
Total Plant In Service	15,326,301	14,974,261	17,311,349	18,681,841	18,443,613	6
Property Held For Future Use						7
Plant Under Construction	130,594	56,213	83,613	78,636	183,580	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	15,456,895	15,030,474	17,394,962	18,760,477	18,627,193	13
Less Acc. Prov. For Depreciation & Amort.	11,794,433	11,980,004	14,490,084	15,381,995	15,075,916	14
Net Total Utility Plant	\$3,662,462	\$3,050,470	\$2,904,878	\$3,378,482	\$3,551,277	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.17	0.32	0.43	0.51	0.76	16
Total Capitalization	\$7,353,161	\$6,966,609	\$6,329,457	\$6,764,170	\$8,814,624	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.7%	0.1%	0.2%	1.3%	1.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	49.9%	61.1%	73.3%	72.6%	59.8%	20
Short-Term Debt	49.4%	38.9%	26.5%	26.1%	38.5%	21
Pretax Coverage of Interest Expense	-8.14	-9.62	-6.03	-1.73	-0.62	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-14.4%	-8.0%	-5.2%	-6.4%	-1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	23.9%	-18.7%	155.7%	110.3%	-41.1%	25
CWIP as a % of Plant	0.8%	0.4%	0.5%	0.4%	1.0%	26

Current Assets	753,526	1,239,231	1,388,362	1,565,441	2,884,821
Current Liabilities	4,566,573	3,933,479	3,219,320	3,077,776	3,807,417
Total Capitalization	7,353,161	6,966,609	6,329,457	6,764,170	8,814,624
Long-Term Debt	51,696	3,555	15,621	88,475	144,429
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,669,440	4,254,244	4,637,496	4,909,886	5,272,346
Short-Term Debt	3,632,025	2,708,810	1,676,340	1,765,809	3,397,849
Pretax Income	(860,914)	(592,717)	(432,505)	(204,176)	(111,099)
Interest Expense	105,798	61,598	71,725	117,691	179,442
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(568,819)	(357,731)	(249,870)	(325,319)	(58,017)
Internal Cash	358,471	(181,889)	390,470	650,863	(244,331)
Cash Outflows for Construction	(1,498,825)	(972,950)	(250,818)	(590,174)	(594,898)
CWIP	130,594	56,213	83,613	78,636	183,580
Total Plant	15,456,895	15,030,474	17,394,962	18,760,477	18,627,193
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	80	72	79	82	70

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$345,133)	(\$109,433)	(\$182,651)	\$81,410	(\$214,019)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	611,439	591,825	584,563	582,860	502,669	2
Changes in Deferred Income Taxes	(135,444)	(104,470)	(17,477)	(46,768)	(5,724)	3
Changes in Working Capital	(168,028)	137,760	(17,153)	45,013	53,250	4
Capitalized AFDC - Equity						5
Other	27,700	(8,240)	12,144	58,387	39,688	6
Total Non-Cash Items	335,667	616,875	562,077	639,492	589,883	7
Net Cash Provided From Operating Activities	<u>(9,466)</u>	<u>507,442</u>	<u>379,426</u>	<u>720,902</u>	<u>375,864</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(108,529)	(211,509)	(262,518)	(223,670)	(277,340)	9
Purchase of Other Investments						10
Sale of Other Investments	69,656	6,966	(7,105)	(12,797)	70,034	11
Other						12
Net Cash Provided From Investing Activities	<u>(38,873)</u>	<u>(204,543)</u>	<u>(269,623)</u>	<u>(236,467)</u>	<u>(207,306)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(768,000)	(167,000)	18
Other Financing				(1,867)	(3,733)	19
Net Cash Provided From Financing Activities				<u>(769,867)</u>	<u>(170,733)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(48,339)	302,899	109,803	(285,432)	(2,175)	21
Cash & Equivalents at Beginning of Year	2,124,632	1,821,733	1,711,930	1,997,362	1,999,537	22
Cash & Equivalents at End of Year	\$2,076,293	\$2,124,632	\$1,821,733	\$1,711,930	\$1,997,362	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,943,779	\$2,053,833	\$2,140,089	\$2,150,019	\$2,173,686
2 Access Lines	1,503	1,634	1,714	1,765	1,807
DOLLAR AMOUNTS					
3 Wages and Benefits	\$541,812	\$574,284	\$600,598	\$524,163	\$527,322
4 Depreciation and Amortization	611,439	591,825	584,563	582,860	502,669
5 Other Operations Expense	1,145,213	879,446	1,029,726	971,651	986,014
6 Total Operation Expenses	2,298,464	2,045,555	2,214,887	2,078,674	2,016,005
7 Income Taxes - Operating Taxes	(185,519)	(59,496)	(99,997)	(56,533)	(30,196)
8 Other Taxes - Operating Taxes	115,422	136,259	145,019	168,313	167,758
9 Capital Costs	(284,588)	(68,485)	(119,820)	(40,435)	20,119
10 Total	\$1,943,779	\$2,053,833	\$2,140,089	\$2,150,019	\$2,173,686
PERCENT OF REVENUES					
11 Wages and Benefits	27.9	28.0	28.1	24.4	24.3
12 Depreciation and Amortization	31.5	28.8	27.3	27.1	23.1
13 Other Operations Expense	58.9	42.8	48.1	45.2	45.4
14 Income Taxes - Operating Taxes	(9.5)	(2.9)	(4.7)	(2.6)	(1.4)
15 Other Taxes - Operating Taxes	5.9	6.6	6.8	7.8	7.7
16 Capital Costs	(14.6)	(3.3)	(5.6)	(1.9)	0.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	360.49	351.46	350.41	296.98	291.82
19 Depreciation and Amortization	406.81	362.19	341.05	330.23	278.18
20 Other Operations Expense	761.95	538.22	600.77	550.51	545.66
21 Income Taxes - Operating Taxes	(123.43)	(36.41)	(58.34)	(32.03)	(16.71)
22 Other Taxes - Operating Taxes	76.79	83.39	84.61	95.36	92.84
23 Capital Costs	(189.35)	(41.91)	(69.91)	(22.91)	11.13
24 Total	1,293.27	1,256.94	1,248.59	1,218.14	1,202.93

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$863,144	\$897,542	\$822,441	\$847,838	\$824,218	1
Central Office Assets	3,187,447	3,230,885	3,234,985	3,154,620	3,094,225	2
Information Origination/Termination	22,362	22,362	22,362	22,362	22,362	3
Cable And Wire Facilities	7,143,160	7,100,180	7,082,387	6,994,983	6,918,543	4
Amortizable Assets	74,363	86,884	66,601	31,880	52,604	5
Total Plant In Service	11,290,476	11,337,853	11,228,776	11,051,683	10,911,952	6
Property Held For Future Use						7
Plant Under Construction	2,735	46,559	18,768	45,632	10,991	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,293,211	11,384,412	11,247,544	11,097,315	10,922,943	13
Less Acc. Prov. For Depreciation & Amort.	10,383,988	9,902,623	9,378,473	8,913,303	8,392,538	14
Net Total Utility Plant	\$909,223	\$1,481,789	\$1,869,071	\$2,184,012	\$2,530,405	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	7.86	5.80	7.03	5.99	7.89	16
Total Capitalization	\$1,012,407	\$1,339,705	\$1,415,449	\$1,597,503	\$2,291,756	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	99.9%	20
Short-Term Debt					0.1%	21
Pretax Coverage of Interest Expense	-7.56	-2.98	(3.22)	2.98	(3.29)	22
Com. Stock Dividends as a % of Earnings				-943.4%	-78.0%	23
Return on Common Equity	-29.3%	-7.9%	-12.1%	-4.2%	-8.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-8.7%	239.9%	144.5%	322.3%	135.5%	25
CWIP as a % of Plant	0.0%	0.4%	0.2%	0.4%	0.1%	26

Current Assets	2,426,694	2,437,181	2,145,511	2,034,149	2,346,559
Current Liabilities	308,556	420,394	305,000	339,697	297,563
Total Capitalization	1,012,407	1,339,705	1,415,449	1,597,503	2,291,756
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,012,407	1,339,705	1,415,449	1,597,503	2,289,889
Short-Term Debt					1,867
Pretax Income	(467,926)	(126,014)	(214,157)	188,918	(252,418)
Interest Expense	61,859	42,227	66,487	63,364	76,633
Common Dividends Paid				768,000	167,000
Net Income (Excl. Preferred Stock Dividends)	(345,133)	(109,433)	(182,651)	(81,410)	(214,019)
Internal Cash	(9,466)	507,442	379,426	720,902	375,864
Cash Outflows for Construction	(108,529)	(211,509)	(262,518)	(223,670)	(277,340)
CWIP	2,735	46,559	18,768	45,632	10,991
Total Plant	11,293,211	11,384,412	11,247,544	11,097,315	10,922,943
Shares Outstanding	676	676	676	676	676
Number of Employees	3	3	3	3	3

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$191,823)	(\$235,021)	\$396,539	\$750,189	\$583,901	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,231,427	1,207,385	1,146,120	1,143,796	1,244,591	2
Changes in Deferred Income Taxes	(133,147)	(6,627)	62,814	172,872	51,466	3
Changes in Working Capital	(110,710)	553,456	(374,884)	362,898	477,181	4
Capitalized AFDC - Equity						5
Other	(294,423)	(192,619)	(696,976)	(1,215,638)	(935,566)	6
Total Non-Cash Items	693,147	1,561,595	137,074	463,928	837,672	7
Net Cash Provided From Operating Activities	<u>501,324</u>	<u>1,326,574</u>	<u>533,613</u>	<u>1,214,117</u>	<u>1,421,573</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(281,158)	(1,007,876)	(989,911)	(570,237)	(830,756)	9
Purchase of Other Investments	(1,479,204)	(401,751)	(138,475)	(1,179,247)	(1,200,164)	10
Sale of Other Investments	1,369,170	380,610	102,709	1,086,376	989,704	11
Other	(31,978)	(31,978)	(31,978)	(31,978)	(31,978)	12
Net Cash Provided From Investing Activities	<u>(423,170)</u>	<u>(1,060,995)</u>	<u>(1,057,655)</u>	<u>(695,086)</u>	<u>(1,073,194)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(15,994)	(94,072)	(126,198)	(30,741)	(28,880)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(116,168)	(8,391)				19
Net Cash Provided From Financing Activities	<u>(132,162)</u>	<u>(102,463)</u>	<u>(126,198)</u>	<u>(30,741)</u>	<u>(28,880)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(54,008)	163,116	(650,240)	488,290	319,499	21
Cash & Equivalents at Beginning of Year	999,811	836,695	1,486,935	998,645	679,146	22
Cash & Equivalents at End of Year	\$945,803	\$999,811	\$836,695	\$1,486,935	\$998,645	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,233,164	\$4,269,433	\$4,305,355	\$4,846,471	\$4,456,310
2 Access Lines	4,289	4,525	4,763	5,081	5,400
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,859,834	\$1,926,039	\$1,698,155	\$1,967,131	\$1,892,763
4 Depreciation and Amortization	1,231,427	1,207,385	1,146,120	1,143,797	1,244,591
5 Other Operations Expense	1,413,636	1,587,652	1,204,806	1,504,398	1,317,031
6 Total Operation Expenses	4,504,897	4,721,076	4,049,081	4,615,326	4,454,385
7 Income Taxes - Operating Taxes	(66,699)	(152,339)	89,220	46,420	(105,757)
8 Other Taxes - Operating Taxes	182,222	219,402	185,524	261,271	295,208
9 Capital Costs	(387,256)	(518,706)	(18,470)	(76,546)	(187,526)
10 Total	\$4,233,164	\$4,269,433	\$4,305,355	\$4,846,471	\$4,456,310
PERCENT OF REVENUES					
11 Wages and Benefits	43.9	45.1	39.4	40.6	42.5
12 Depreciation and Amortization	29.1	28.3	26.6	23.6	27.9
13 Other Operations Expense	33.4	37.2	28.0	31.0	29.6
14 Income Taxes - Operating Taxes	(1.6)	(3.6)	2.1	1.0	(2.4)
15 Other Taxes - Operating Taxes	4.3	5.1	4.3	5.4	6.6
16 Capital Costs	(9.1)	(12.1)	(0.4)	(1.6)	(4.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	433.63	425.64	356.53	387.15	350.51
19 Depreciation and Amortization	287.11	266.83	240.63	225.11	230.48
20 Other Operations Expense	329.60	350.86	252.95	296.08	243.89
21 Income Taxes - Operating Taxes	(15.55)	(33.67)	18.73	9.14	(19.58)
22 Other Taxes - Operating Taxes	42.49	48.49	38.95	51.42	54.67
23 Capital Costs	(90.29)	(114.63)	(3.88)	(15.07)	(34.73)
24 Total	986.98	943.52	903.92	953.84	825.24

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$5,891,418	\$6,079,642	\$6,334,461	\$6,481,945	\$6,513,732	1
Central Office Assets	10,020,170	10,004,011	9,879,607	9,737,634	9,509,907	2
Information Origination/Termination	91,678	89,093	116,606	116,255	107,225	3
Cable And Wire Facilities	17,087,821	16,998,396	16,677,376	16,299,400	16,051,903	4
Amortizable Assets	264	264	264	264	264	5
Total Plant In Service	33,091,351	33,171,406	33,008,314	32,635,498	32,183,031	6
Property Held For Future Use						7
Plant Under Construction	291,829	270,452	287,362	160,693	352,062	8
Tel. Acquisition	142,838	142,838	142,838	142,838	142,838	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	33,526,018	33,584,696	33,438,514	32,939,029	32,677,931	13
Less Acc. Prov. For Depreciation & Amort.	22,782,651	21,988,103	21,285,144	20,567,904	19,704,497	14
Net Total Utility Plant	\$10,743,367	\$11,596,593	\$12,153,370	\$12,371,125	\$12,973,434	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	6.91	5.08	-630.32	9.71	-34.11	16
Total Capitalization	\$22,405,417	\$22,738,949	\$22,919,621	\$22,266,528	\$21,423,870	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.0%	1.1%	1.5%	1.0%	0.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.0%	98.9%	98.5%	99.0%	99.2%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-22.63	-25.05	79.42	49.90	23.71	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-0.9%	-1.0%	1.8%	3.5%	2.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	178.3%	131.6%	53.9%	212.9%	171.1%	25
CWIP as a % of Plant	0.9%	0.8%	0.9%	0.5%	1.1%	26

Current Assets	2,716,588	2,977,761	2,615,811	3,335,617	2,793,679
Current Liabilities	393,102	586,279	(4,150)	343,422	(81,893)
Total Capitalization	22,405,417	22,738,949	22,919,621	22,266,528	21,423,870
Long-Term Debt	229,769	245,526	338,074	223,717	172,691
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	22,175,648	22,493,423	22,581,547	22,042,811	21,251,179
Short-Term Debt					
Pretax Income	(280,166)	(424,322)	371,993	1,003,262	686,007
Interest Expense	12,382	16,938	4,684	20,104	28,930
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(191,823)	(235,021)	396,539	750,189	583,901
Internal Cash	501,324	1,326,574	533,613	1,214,117	1,421,573
Cash Outflows for Construction	(281,158)	(1,007,876)	(989,911)	(570,237)	(830,756)
CWIP	291,829	270,452	287,362	160,693	352,062
Total Plant	33,526,018	33,584,696	33,438,514	32,939,029	32,677,931
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	51	43	43	43	57

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$19,642	\$75,875	\$33,849	(\$46,050)	(\$31,998)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	76,937	98,637	99,393	123,647	124,197	2
Changes in Deferred Income Taxes	(10,283)	(1,939)	5,947	(18,032)	13,705	3
Changes in Working Capital	1,839	60,575	(98,984)	33,455	(7,583)	4
Capitalized AFDC - Equity						5
Other	9,987	(42,504)	105,356	63,886	46,170	6
Total Non-Cash Items	78,480	114,769	111,712	202,956	176,489	7
Net Cash Provided From Operating Activities	<u>98,122</u>	<u>190,644</u>	<u>145,561</u>	<u>156,906</u>	<u>144,491</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(54,217)	(59,629)	(35,702)	(32,192)	(53,185)	9
Purchase of Other Investments			80,000	12,908	(26,446)	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(54,217)</u>	<u>(59,629)</u>	<u>44,298</u>	<u>(19,284)</u>	<u>(79,631)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(14,533)	(31,404)	(40,549)	(33,784)	(31,405)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(124,093)	(113,753)	(167,074)	(9,645)	(13,378)	19
Net Cash Provided From Financing Activities	<u>(138,626)</u>	<u>(145,157)</u>	<u>(207,623)</u>	<u>(43,429)</u>	<u>(44,783)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(94,721)	(14,142)	(17,764)	94,193	20,077	21
Cash & Equivalents at Beginning of Year	208,080	222,222	239,986	145,793	125,716	22
Cash & Equivalents at End of Year	\$113,359	\$208,080	\$222,222	\$239,986	\$145,793	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,233,745	\$1,216,259	\$1,219,273	\$1,359,577	\$1,481,595
2 Access Lines	905	924	932	944	954
DOLLAR AMOUNTS					
3 Wages and Benefits	\$345,070	\$435,177	\$372,527	\$456,326	\$435,021
4 Depreciation and Amortization	76,938	98,637	99,393	123,647	124,197
5 Other Operations Expense	750,762	558,003	657,267	784,385	880,042
6 Total Operation Expenses	1,172,770	1,091,817	1,129,187	1,364,358	1,439,260
7 Income Taxes - Operating Taxes	39,022	46,066	51,407	70,212	68,435
8 Other Taxes - Operating Taxes					
9 Capital Costs	21,953	78,376	38,679	(74,993)	(26,100)
10 Total	\$1,233,745	\$1,216,259	\$1,219,273	\$1,359,577	\$1,481,595
PERCENT OF REVENUES					
11 Wages and Benefits	28.0	35.8	30.6	33.6	29.4
12 Depreciation and Amortization	6.2	8.1	8.2	9.1	8.4
13 Other Operations Expense	60.9	45.9	53.9	57.7	59.4
14 Income Taxes - Operating Taxes	3.2	3.8	4.2	5.2	4.6
15 Other Taxes - Operating Taxes					
16 Capital Costs	1.8	6.4	3.2	(5.5)	(1.8)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	381.29	470.97	399.71	483.40	456.00
19 Depreciation and Amortization	85.01	106.75	106.64	130.98	130.19
20 Other Operations Expense	829.57	603.90	705.22	830.92	922.48
21 Income Taxes - Operating Taxes	43.12	49.85	55.16	74.38	71.73
22 Other Taxes - Operating Taxes					
23 Capital Costs	24.26	84.82	41.50	(79.44)	(27.36)
24 Total	1,363.25	1,316.30	1,308.23	1,440.23	1,553.03

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$279,543	\$254,028	\$254,029	\$254,029	\$259,436	1
Central Office Assets	1,214,457	1,185,755	1,134,624	1,098,924	1,087,788	2
Information Origination/Termination						3
Cable And Wire Facilities	1,113,082	1,113,082	1,113,083	1,113,083	1,107,875	4
Amortizable Assets	51,675	51,675	43,175	43,175	43,175	5
Total Plant In Service	2,658,757	2,604,540	2,544,911	2,509,211	2,498,274	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	2,658,757	2,604,540	2,544,911	2,509,211	2,498,274	13
Less Acc. Prov. For Depreciation & Amort.	1,862,846	1,803,817	1,723,490	1,642,407	1,556,090	14
Net Total Utility Plant	\$795,911	\$800,723	\$821,421	\$866,804	\$942,184	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.11	3.63	5.41	5.54	4.80	16
Total Capitalization	\$1,592,248	\$1,606,299	\$1,548,993	\$1,543,414	\$1,599,873	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			1.2%	3.0%	3.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	98.8%	97.0%	96.4%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	3.95	18.02	6.61	-6.37	-0.86	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	1.2%	4.8%	2.2%	-5.4%	-2.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	181.0%	319.7%	407.7%	375.4%	271.7%	25
CWIP as a % of Plant						26

Current Assets	252,597	399,821	385,256	412,020	375,724
Current Liabilities	119,907	110,087	71,209	74,385	78,325
Total Capitalization	1,592,248	1,606,299	1,548,993	1,543,414	1,599,873
Long-Term Debt			18,569	46,840	57,249
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,592,248	1,606,299	1,530,424	1,496,574	1,542,624
Short-Term Debt					
Pretax Income	12,534	78,279	46,884	(55,388)	(8,440)
Interest Expense	3,175	4,343	7,088	8,694	9,853
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	19,642	75,875	33,849	(82,114)	(31,998)
Internal Cash	98,122	190,644	145,561	120,842	144,491
Cash Outflows for Construction	(54,217)	(59,629)	(35,702)	(32,192)	(53,185)
CWIP					
Total Plant	2,658,757	2,604,540	2,544,913	2,509,211	2,498,274
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees				5	5

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$803,619	\$938,099	\$944,084	\$946,958	\$865,786	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	506,163	678,035	793,103	914,375	\$968,427	2
Changes in Deferred Income Taxes	317,723	274,731	(183,012)	(183,012)	(183,012)	3
Changes in Working Capital	462,068	(1,746,633)	1,178,763	411,805	150,974	4
Capitalized AFDC - Equity						5
Other	(248,613)	(449,684)	(137,718)	(219,541)	(80,311)	6
Total Non-Cash Items	1,037,341	(1,243,552)	1,651,136	923,627	856,078	7
Net Cash Provided From Operating Activities	<u>1,840,960</u>	<u>(305,453)</u>	<u>2,595,220</u>	<u>1,870,585</u>	<u>1,721,864</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(487,227)	(146,082)	(280,342)	(195,570)	(288,477)	9
Purchase of Other Investments	(1,353,733)	451,536	(2,314,879)	474,324	598,042	10
Sale of Other Investments						11
Other				(147,984)	(30,192)	12
Net Cash Provided From Investing Activities	<u>(1,840,960)</u>	<u>305,453</u>	<u>(2,595,221)</u>	<u>130,770</u>	<u>279,373</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(2,000,000)	(2,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities				<u>(2,000,000)</u>	<u>(2,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	0	(0)	1,355	1,237	21
Cash & Equivalents at Beginning of Year	(0)	(0)	0	(1,355)	(2,592)	22
Cash & Equivalents at End of Year	(\$0)	(\$0)	(\$0)	\$0	(\$1,355)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,266,107	\$4,347,796	\$4,793,231	\$5,029,819	\$5,086,576
2 Access Lines	4,081	4,366	4,752	5,238	5,375
DOLLAR AMOUNTS					
3 Wages and Benefits	\$171,325	\$230,590	\$415,815	\$392,273	\$553,994
4 Depreciation and Amortization	617,407	824,083	888,346	914,376	968,428
5 Other Operations Expense	1,916,339	1,647,175	1,817,858	2,185,302	2,062,009
6 Total Operation Expenses	2,705,071	2,701,848	3,122,020	3,491,951	3,584,431
7 Income Taxes - Operating Taxes	224,422	240,423	308,924	298,092	224,332
8 Other Taxes - Operating Taxes	196,557	204,299	207,536	117,468	196,948
9 Capital Costs	1,140,057	1,201,227	1,154,751	1,122,308	1,080,865
10 Total	\$4,266,107	\$4,347,796	\$4,793,231	\$5,029,819	\$5,086,576
PERCENT OF REVENUES					
11 Wages and Benefits	4.0	5.3	8.7	7.8	10.9
12 Depreciation and Amortization	14.5	19.0	18.5	18.2	19.0
13 Other Operations Expense	44.9	37.9	37.9	43.4	40.5
14 Income Taxes - Operating Taxes	5.3	5.5	6.4	5.9	4.4
15 Other Taxes - Operating Taxes	4.6	4.7	4.3	2.3	3.9
16 Capital Costs	26.7	27.6	24.1	22.3	21.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	41.98	52.81	87.50	74.89	103.07
19 Depreciation and Amortization	151.29	188.75	186.94	174.57	180.17
20 Other Operations Expense	469.58	377.27	382.55	417.20	383.63
21 Income Taxes - Operating Taxes	54.99	55.07	65.01	56.91	41.74
22 Other Taxes - Operating Taxes	48.16	46.79	43.67	22.43	36.64
23 Capital Costs	279.36	275.13	243.00	214.26	201.09
24 Total	1,045.36	995.83	1,008.68	960.26	946.34

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,631,869	\$1,680,452	\$1,787,907	\$1,795,216	\$1,795,177	1
Central Office Assets	8,720,318	8,474,947	8,282,463	8,158,577	8,021,190	2
Information Origination/Termination	211,658	211,888	210,258	205,905	205,905	3
Cable And Wire Facilities	13,931,998	13,721,952	13,638,530	13,538,718	13,401,187	4
Amortizable Assets						5
Total Plant In Service	24,495,843	24,089,239	23,919,158	23,698,416	23,423,459	6
Property Held For Future Use						7
Plant Under Construction	232,448	151,825	175,823	116,222	195,610	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,728,290	24,241,063	24,094,981	23,814,638	23,619,069	13
Less Acc. Prov. For Depreciation & Amort.	21,759,380	21,253,217	20,575,182	19,782,078	19,015,684	14
Net Total Utility Plant	\$2,968,910	\$2,987,847	\$3,519,799	\$4,032,560	\$4,603,386	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.21	1.89	0.56	1.05	1.67	16
Total Capitalization	\$14,724,495	\$13,920,876	\$12,982,777	\$12,038,693	\$15,091,736	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	147.62	203.54	161.53	167.98	115.59	22
Com. Stock Dividends as a % of Earnings				211.2%	231.0%	23
Return on Common Equity	5.6%	7.0%	7.5%	7.0%	5.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	377.8%	307.6%	1133.0%	1247.9%	826.1%	25
CWIP as a % of Plant	0.9%	0.6%	0.7%	0.5%	0.8%	26

Current Assets	825,620	1,277,842	1,428,547	1,274,470	1,156,292
Current Liabilities	680,585	675,150	2,548,844	1,213,388	691,626
Total Capitalization	14,724,495	13,920,876	12,982,777	12,038,693	15,091,736
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	14,724,495	13,920,876	12,982,777	12,038,693	15,091,736
Short-Term Debt					
Pretax Income	1,365,159	1,442,364	1,463,920	1,426,860	1,305,097
Interest Expense	9,248	7,086	9,063	8,494	11,291
Common Dividends Paid				2,000,000	2,000,000
Net Income (Excl. Preferred Stock Dividends)	803,619	938,099	944,084	946,934	865,784
Internal Cash	1,840,960	449,277	3,176,257	2,440,589	2,383,239
Cash Outflows for Construction	(487,227)	(146,082)	(280,342)	(195,570)	(288,477)
CWIP	232,448	151,825	175,823	116,222	195,610
Total Plant	24,728,290	24,241,063	24,094,981	23,814,638	23,619,069
Shares Outstanding	21,742	21,742	21,742	21,742	21,742
Number of Employees	5	6	7	7	7

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$9,443,481	\$11,892,604	\$10,945,896	\$11,267,473	\$13,377,031	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	4,109,221	3,716,173	3,805,641	5,860,484	7,167,252	2
Changes in Deferred Income Taxes	9,641,440	9,391,567	202,788	202,788	202,788	3
Changes in Working Capital	9,778,056	(35,427,313)	20,818,771	5,599,044	1,834,794	4
Capitalized AFDC - Equity						5
Other	562,488	567,653	449,256	(331,798)	(512,772)	6
Total Non-Cash Items	24,091,205	(21,751,920)	25,276,456	11,330,519	8,692,063	7
Net Cash Provided From Operating Activities	<u>33,534,686</u>	<u>(9,859,316)</u>	<u>36,222,352</u>	<u>22,597,991</u>	<u>22,069,094</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(3,109,288)	(1,092,310)	(1,543,336)	(1,042,699)	(1,907,167)	9
Purchase of Other Investments	(30,424,753)	10,947,259	(34,675,011)	19,551,209	(19,434,288)	10
Sale of Other Investments						11
Other				(1,093,962)	(782,855)	12
Net Cash Provided From Investing Activities	<u>(33,534,041)</u>	<u>9,854,949</u>	<u>(36,218,346)</u>	<u>17,414,548</u>	<u>(22,124,310)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(40,000,000)		18
Other Financing						19
Net Cash Provided From Financing Activities				<u>(40,000,000)</u>		20
Net Increase (Decrease) in Cash & Equivalents	645	(4,367)	4,005	12,539	(55,216)	21
Cash & Equivalents at Beginning of Year	(1,018)	3,348	(657)	(13,196)	42,019	22
Cash & Equivalents at End of Year	(\$373)	(\$1,018)	\$3,348	(\$657)	(\$13,196)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$38,959,538	\$42,042,366	\$44,515,184	\$47,936,968	\$51,013,275
2 Access Lines	34,024	36,233	38,225	40,831	43,403

DOLLAR AMOUNTS

3 Wages and Benefits	\$2,176,088	\$2,515,305	\$3,589,976	\$3,801,821	2,625,519
4 Depreciation and Amortization	4,941,558	5,185,474	5,085,294	5,860,484	7,167,252
5 Other Operations Expense	12,788,530	11,499,457	14,900,489	17,621,441	17,482,913
6 Total Operation Expenses	19,906,176	19,200,236	23,575,759	27,283,846	27,275,684
7 Income Taxes - Operating Taxes	4,472,213	5,606,181	5,226,193	5,262,497	5,812,013
8 Other Taxes - Operating Taxes	2,632,207	2,915,101	2,768,920	2,358,571	2,288,810
9 Capital Costs	11,948,942	14,320,848	12,944,312	13,032,054	15,636,768
10 Total	\$38,959,538	\$42,042,366	\$44,515,184	\$47,936,968	51,013,275

PERCENT OF REVENUES

11 Wages and Benefits	5.6	6.0	8.1	7.9	19.6
12 Depreciation and Amortization	12.7	12.3	11.4	12.2	53.6
13 Other Operations Expense	32.8	27.4	33.5	36.8	130.7
14 Income Taxes - Operating Taxes	11.5	13.3	11.7	11.0	43.4
15 Other Taxes - Operating Taxes	6.8	6.9	6.2	4.9	17.1
16 Capital Costs	30.7	34.1	29.1	27.2	116.9
17 Total	100.0	100.0	100.0	100.0	381.3

DOLLARS PER ACCESS LINE

18 Wages and Benefits	63.96	69.42	93.92	93.11	60.49
19 Depreciation and Amortization	145.24	143.11	133.04	143.53	165.13
20 Other Operations Expense	375.87	317.38	389.81	431.57	402.80
21 Income Taxes - Operating Taxes	131.44	154.73	136.72	128.88	133.91
22 Other Taxes - Operating Taxes	77.36	80.45	72.44	57.76	52.73
23 Capital Costs	351.19	395.24	338.63	319.17	360.27
24 Total	1,145.06	1,160.33	1,164.56	1,174.03	1,175.34

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$15,435,713	\$15,696,196	\$16,433,333	\$16,869,171	\$16,765,813	1
Central Office Assets	89,866,601	89,216,555	88,187,206	87,567,207	87,065,215	2
Information Origination/Termination	2,648,941	2,649,754	2,644,079	2,338,004	2,284,025	3
Cable And Wire Facilities	87,440,504	84,315,186	82,912,850	82,390,021	81,841,999	4
Amortizable Assets	31,214	31,214	31,214	31,214	31,214	5
Total Plant In Service	195,422,973	191,908,905	190,208,682	189,195,617	187,988,266	6
Property Held For Future Use						7
Plant Under Construction	564,761	969,541	1,577,454	1,047,183	1,211,832	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	195,987,734	192,878,446	191,786,136	190,242,800	189,200,098	13
Less Acc. Prov. For Depreciation & Amort.	166,182,804	162,073,583	158,357,410	154,551,770	149,736,659	14
Net Total Utility Plant	\$29,804,930	\$30,804,863	\$33,428,726	\$35,691,030	\$39,463,439	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.53	3.66	0.34	0.95	1.85	16
Total Capitalization	\$116,588,799	\$107,145,318	\$95,252,713	\$84,306,817	\$153,039,346	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	N/A	N/A	N/A	N/A	N/A	22
Com. Stock Dividends as a % of Earnings				355.0%		23
Return on Common Equity	8.4%	11.8%	12.2%	9.5%	9.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1078.5%	-902.6%	2556.9%	2415.7%	1376.1%	25
CWIP as a % of Plant	0.3%	0.5%	0.8%		0.6%	26

Current Assets	10,202,380	18,202,964	11,406,972	16,277,473	9,953,957
Current Liabilities	6,688,608	4,978,322	33,345,410	17,183,947	5,370,466
Total Capitalization	116,588,799	107,145,318	95,252,713	84,306,817	153,039,346
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	116,588,799	107,145,318	95,252,713	84,306,817	153,039,346
Short-Term Debt					
Pretax Income	16,219,251	19,743,536	18,007,168	18,164,120	21,288,809
Interest Expense	1,502,211	1,362,310	1,233,108	1,113,793	1,003,600
Common Dividends Paid				40,000,000	
Net Income (Excl. Preferred Stock Dividends)	9,443,481	11,892,604	10,945,896	11,267,473	13,377,031
Internal Cash	33,534,686	(9,859,316)	39,460,876	25,188,342	26,244,103
Cash Outflows for Construction	(3,109,288)	(1,092,310)	(1,543,336)	(1,042,699)	(1,907,167)
CWIP	564,761	969,541	1,577,454		1,211,832
Total Plant	195,987,734	192,878,446	191,786,136	190,242,800	189,200,098
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	40	41	43	46	45

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$2,709,590)	\$5,483,983	\$6,703,084	(\$317,152)	\$8,965,486	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	38,798,449	43,106,913	47,865,593	68,827,514	69,199,706	2
Changes in Deferred Income Taxes	22,544,846	20,670,872	1,274,508	1,274,508	1,274,508	3
Changes in Working Capital	42,540,095	(203,020,359)	153,125,053	33,336,532	49,377,900	4
Capitalized AFDC - Equity						5
Other	10,388,517	11,405,234	5,913,684	7,947,481	6,353,598	6
Total Non-Cash Items	114,271,907	(127,837,339)	208,178,838	111,386,035	126,205,712	7
Net Cash Provided From Operating Activities	111,562,317	(122,353,356)	214,881,922	111,068,883	135,171,198	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(14,643,968)	(7,876,061)	(12,022,212)	(14,941,818)	(17,701,859)	9
Purchase of Other Investments	(96,429,889)	155,090,715	(201,734,164)	11,224,075	(109,583,307)	10
Sale of Other Investments				225,432	431,318	11
Other				(8,957,522)	(7,724,980)	12
Net Cash Provided From Investing Activities	(111,073,857)	147,214,654	(213,756,376)	(12,449,833)	(134,578,828)	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid		(25,000,000)		(100,000,000)		18
Other Financing						19
Net Cash Provided From Financing Activities		(25,000,000)		(100,000,000)		20
Net Increase (Decrease) in Cash & Equivalents	488,460	(138,702)	1,125,546	(1,380,950)	592,370	21
Cash & Equivalents at Beginning of Year	1,369,904	1,508,605	383,059	1,764,009	1,171,639	22
Cash & Equivalents at End of Year	\$1,858,363	\$1,369,903	\$1,508,605	\$383,059	\$1,764,009	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$198,925,554	\$211,795,100	\$237,204,541	\$246,340,175	\$263,791,764
2 Access Lines	159,706	175,120	192,047	209,212	228,522
DOLLAR AMOUNTS					
3 Wages and Benefits	\$32,492,315	\$37,515,668	\$39,820,307	\$42,498,914	\$43,239,985
4 Depreciation and Amortization	47,026,406	52,906,458	59,629,909	68,827,514	69,199,706
5 Other Operations Expense	93,685,178	84,136,817	101,010,928	113,237,588	112,030,329
6 Total Operation Expenses	173,203,898	174,558,943	200,461,145	224,564,285	224,470,019
7 Income Taxes - Operating Taxes	(6,541,346)	(2,234,077)	(1,160,364)	(4,450,729)	(12,707)
8 Other Taxes - Operating Taxes	19,774,320	20,580,862	18,690,539	16,490,634	20,275,136
9 Capital Costs	12,488,682	18,889,372	19,213,221	9,735,985	19,059,316
10 Total	\$198,925,554	\$211,795,100	\$237,204,541	\$246,340,175	\$263,791,764
PERCENT OF REVENUES					
11 Wages and Benefits	16.3	17.7	16.8	17.3	16.4
12 Depreciation and Amortization	23.6	25.0	25.1	27.9	26.2
13 Other Operations Expense	47.1	39.7	42.6	46.0	42.5
14 Income Taxes - Operating Taxes	(3.3)	(1.1)	(0.5)	(1.8)	(0.0)
15 Other Taxes - Operating Taxes	9.9	9.7	7.9	6.7	7.7
16 Capital Costs	6.3	8.9	8.1	4.0	7.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	203.45	214.23	207.35	203.14	189.22
19 Depreciation and Amortization	294.46	302.12	310.50	328.98	302.81
20 Other Operations Expense	586.61	480.45	525.97	541.26	490.24
21 Income Taxes - Operating Taxes	(40.96)	(12.76)	(6.04)	(21.27)	(0.06)
22 Other Taxes - Operating Taxes	123.82	117.52	97.32	78.82	88.72
23 Capital Costs	78.20	107.87	100.04	46.54	83.40
24 Total	1,245.57	1,209.43	1,235.14	1,177.47	1,154.34

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$121,486,725	\$124,951,955	\$130,190,880	\$135,649,946	\$136,310,383	1
Central Office Assets	660,162,977	648,116,628	635,406,134	626,631,562	613,644,327	2
Information Origination/Termination	15,011,955	15,033,237	15,033,237	15,032,753	15,032,753	3
Cable And Wire Facilities	729,590,458	723,933,171	719,915,023	713,388,705	706,222,259	4
Amortizable Assets	12,080,937	12,080,937	12,080,937	12,080,937	12,080,937	5
Total Plant In Service	1,538,333,052	1,524,115,928	1,512,626,211	1,502,783,903	1,483,290,659	6
Property Held For Future Use						7
Plant Under Construction	6,449,316	6,022,472	9,636,128	7,456,223	12,085,833	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,205	2,205	2,205	2,205	2,205	11
Goodwill						12
Total Telecommunications Plant	1,544,784,573	1,530,140,605	1,522,264,544	1,510,242,331	1,495,378,697	13
Less Acc. Prov. For Depreciation & Amort.	1,314,012,378	1,275,213,928	1,232,107,015	1,184,241,424	1,124,224,180	14
Net Total Utility Plant	\$230,772,195	\$254,926,677	\$290,157,529	\$326,000,907	\$371,154,517	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.84	1.58	0.35	0.82	1.36	16
Total Capitalization	\$599,370,912	\$602,080,502	\$621,596,519	\$614,893,435	\$715,210,589	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.68	1.60	1.88	0.79	2.34	22
Com. Stock Dividends as a % of Earnings		455.9%		-31530.8%		23
Return on Common Equity	-0.5%	0.9%	1.1%	0.0%	1.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	761.8%	-1553.5%	1965.1%	863.5%	870.8%	25
CWIP as a % of Plant	0.4%	0.4%	0.6%	0.5%	0.8%	26

Current Assets	38,363,883	94,703,502	88,847,854	75,175,320	68,904,013
Current Liabilities	45,717,965	59,896,499	255,167,418	92,205,399	50,601,153
Total Capitalization	599,370,912	602,080,502	621,596,519	614,893,435	715,210,589
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	599,370,912	602,080,502	621,596,519	614,893,435	715,210,589
Short-Term Debt					
Pretax Income	8,951,138	19,400,061	20,606,033	7,845,064	21,154,784
Interest Expense	13,238,758	12,096,052	10,983,152	9,970,383	9,054,562
Common Dividends Paid		25,000,000		100,000,000	
Net Income (Excl. Preferred Stock Dividends)	(2,709,590)	5,483,983	6,703,084	(317,150)	8,965,487
Internal Cash	111,562,317	(122,353,356)	236,250,105	129,026,977	154,155,251
Cash Outflows for Construction	(14,643,968)	(7,876,061)	(12,022,212)	(14,941,818)	(17,701,859)
CWIP	6,449,316	6,022,472	9,636,128	7,456,223	12,085,833
Total Plant	1,544,784,573	1,530,140,605	1,522,264,544	1,510,242,331	1,495,378,697
Shares Outstanding	772	772	772		
Number of Employees	377	379	409	466	505

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$372,298	\$622,586	\$554,604	\$841,386	\$973,431	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	699,944	635,495	742,902	742,285	771,103	2
Changes in Deferred Income Taxes	530,164	503,849	27,852	27,852	27,852	3
Changes in Working Capital	1,091,098	(2,426,146)	1,781,892	269,334	851,004	4
Capitalized AFDC - Equity						5
Other	(73,332)	(43,315)	(95,755)	(94,506)	(73,408)	6
Total Non-Cash Items	2,247,873	(1,330,117)	2,456,892	944,965	1,576,551	7
Net Cash Provided From Operating Activities	<u>2,620,171</u>	<u>(707,531)</u>	<u>3,011,496</u>	<u>1,786,351</u>	<u>2,549,981</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(136,589)	(231,997)	(339,152)	(505,031)	(634,767)	9
Purchase of Other Investments	(2,483,582)	939,528	(2,672,344)	2,777,669	(1,878,192)	10
Sale of Other Investments						11
Other				(58,044)	(42,479)	12
Net Cash Provided From Investing Activities	<u>(2,620,171)</u>	<u>707,531</u>	<u>(3,011,496)</u>	<u>2,214,594</u>	<u>(2,555,438)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock				(4,000,000)		15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities				<u>(4,000,000)</u>		20
Net Increase (Decrease) in Cash & Equivalents	0	(0)	0	945	(5,457)	21
Cash & Equivalents at Beginning of Year	0	0	(0)	(945)	4,511	22
Cash & Equivalents at End of Year	\$0	\$0	\$0	(\$0)	(\$945)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,325,276	\$4,526,884	\$4,764,330	\$4,953,194	\$5,206,041
2 Access Lines	5,763	6,157	6,620	6,081	6,374
DOLLAR AMOUNTS					
3 Wages and Benefits	\$429,445	\$442,658	\$637,473	\$554,851	\$523,515
4 Depreciation and Amortization	790,643	820,677	813,537	742,285	771,103
5 Other Operations Expense	2,259,360	2,024,395	2,217,466	2,203,086	2,177,854
6 Total Operation Expenses	3,479,449	3,287,730	3,668,476	3,500,222	3,472,472
7 Income Taxes - Operating Taxes	593,680	(14,390)	(73,584)	86,830	128,032
8 Other Taxes - Operating Taxes	204,316	212,286	218,569	173,363	247,313
9 Capital Costs	47,831	1,041,258	950,870	1,192,779	1,358,224
10 Total	\$4,325,276	\$4,526,884	\$4,764,330	\$4,953,194	\$5,206,041
PERCENT OF REVENUES					
11 Wages and Benefits	9.9	9.8	13.4	11.2	10.1
12 Depreciation and Amortization	18.3	18.1	17.1	15.0	14.8
13 Other Operations Expense	52.2	44.7	46.5	44.5	41.8
14 Income Taxes - Operating Taxes	13.7	(0.3)	(1.5)	1.8	2.5
15 Other Taxes - Operating Taxes	4.7	4.7	4.6	3.5	4.8
16 Capital Costs	1.1	23.0	20.0	24.1	26.1
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	74.52	71.90	96.29	91.24	82.13
19 Depreciation and Amortization	137.19	133.29	122.89	122.07	120.98
20 Other Operations Expense	392.05	328.80	334.96	362.29	341.68
21 Income Taxes - Operating Taxes	103.02	(2.34)	(11.12)	14.28	20.09
22 Other Taxes - Operating Taxes	35.45	34.48	33.02	28.51	38.80
23 Capital Costs	8.30	169.12	143.64	196.15	213.09
24 Total	750.53	735.24	719.69	814.54	816.76

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,004,850	\$1,994,485	\$2,119,429	\$2,150,796	\$1,963,546	1
Central Office Assets	12,431,926	12,385,573	12,225,709	11,934,773	11,678,758	2
Information Origination/Termination	82,443	80,781	80,781	80,781	69,302	3
Cable And Wire Facilities	12,705,824	12,427,017	12,335,311	12,189,637	11,964,458	4
Amortizable Assets						5
Total Plant In Service	27,225,043	26,887,855	26,761,229	26,355,987	25,676,064	6
Property Held For Future Use						7
Plant Under Construction	50,162	250,761	145,390	211,483	386,373	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	27,275,206	27,138,616	26,906,619	26,567,470	26,062,437	13
Less Acc. Prov. For Depreciation & Amort.	24,335,841	23,635,897	23,000,402	22,257,499	21,573,258	14
Net Total Utility Plant	\$2,939,365	\$3,502,720	\$3,906,218	\$4,309,971	\$4,489,179	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.43	1.70	0.44	0.97	1.21	16
Total Capitalization	\$6,297,428	\$5,925,130	\$5,302,544	\$4,747,940	\$11,906,553	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	10.97	19.18	18.12	28.69	37.02	22
Com. Stock Dividends as a % of Earnings				489.0%		23
Return on Common Equity	6.1%	11.1%	11.0%	9.8%	8.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1918.3%	155.4%	1208.6%	553.3%	575.8%	25
CWIP as a % of Plant	0.2%	0.9%	0.5%	0.8%	1.5%	26

Current Assets	370,281	1,409,692	1,414,730	1,359,272	1,309,830
Current Liabilities	868,421	827,561	3,232,500	1,398,385	1,080,261
Total Capitalization	6,297,428	5,925,130	5,302,544	4,747,940	11,906,553
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,297,428	5,925,130	5,302,544	4,747,940	11,906,553
Short-Term Debt					
Pretax Income	656,486	1,040,867	889,910	1,272,640	1,480,089
Interest Expense	59,835	54,263	49,116	44,364	39,977
Common Dividends Paid				4,000,000	
Net Income (Excl. Preferred Stock Dividends)	372,298	622,586	554,604	818,021	957,816
Internal Cash	2,620,171	360,451	4,099,021	2,794,511	3,654,821
Cash Outflows for Construction	(136,589)	(231,997)	(339,152)	(505,031)	(634,767)
CWIP	50,162	250,761	145,390	211,483	386,373
Total Plant	27,275,206	27,138,616	26,906,619	26,567,470	26,062,437
Shares Outstanding	100	100	100	100	100
Number of Employees	7	7	7	9	9

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(121,403)	68,213	\$199,524	\$474,423	\$127,981	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	866,396	971,094	925,600	1,589,673	1,806,573	2
Changes in Deferred Income Taxes	2,002,558	1,946,871	194,083	171,690	171,690	3
Changes in Working Capital	1,564,516	(4,482,384)	2,089,022	445,562	465,014	4
Capitalized AFDC - Equity						5
Other	(48,151)	(37,295)	(53,024)	(108,311)	(167,510)	6
Total Non-Cash Items	4,385,318	(1,601,714)	3,155,681	2,098,614	2,275,767	7
Net Cash Provided From Operating Activities	<u>4,263,915</u>	<u>(1,533,501)</u>	<u>3,355,205</u>	<u>2,573,037</u>	<u>2,403,748</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(269,370)	(98,821)	(119,983)	(391,061)	(342,734)	9
Purchase of Other Investments	(3,994,545)	1,632,322	(3,235,222)	4,018,072	(1,815,569)	10
Sale of Other Investments				(198,217)		11
Other					(249,643)	12
Net Cash Provided From Investing Activities	<u>(4,263,915)</u>	<u>1,533,501</u>	<u>(3,355,205)</u>	<u>3,428,794</u>	<u>(2,407,946)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(6,000,000)		18
Other Financing						19
Net Cash Provided From Financing Activities				<u>(6,000,000)</u>		20
Net Increase (Decrease) in Cash & Equivalents	(0)	(0)	4	1,831	(4,198)	21
Cash & Equivalents at Beginning of Year	0	0	(3)	(1,834)	2,364	22
Cash & Equivalents at End of Year	\$0	\$0	\$0	(\$3)	(\$1,834)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,224,739	\$5,482,373	\$6,264,199	\$7,099,933	\$7,386,531
2 Access Lines	5,651	6,270	6,947	7,756	8,301
DOLLAR AMOUNTS					
3 Wages and Benefits	\$507,551	\$561,663	\$758,262	\$762,100	\$861,923
4 Depreciation and Amortization	1,054,808	1,231,816	1,535,280	1,589,673	1,806,573
5 Other Operations Expense	3,200,491	2,977,160	3,089,824	3,709,968	3,967,860
6 Total Operation Expenses	4,762,850	4,770,639	5,383,365	6,061,741	6,636,356
7 Income Taxes - Operating Taxes	(309,664)	(280,183)	(214,312)	(88,240)	(364,910)
8 Other Taxes - Operating Taxes	581,558	553,629	558,940	358,582	596,289
9 Capital Costs	189,994	438,288	536,205	767,851	518,796
10 Total	\$5,224,739	\$5,482,373	\$6,264,199	\$7,099,933	\$7,386,531
PERCENT OF REVENUES					
11 Wages and Benefits	9.7	10.2	12.1	10.7	11.7
12 Depreciation and Amortization	20.2	22.5	24.5	22.4	24.5
13 Other Operations Expense	61.3	54.3	49.3	52.3	53.7
14 Income Taxes - Operating Taxes	(5.9)	(5.1)	(3.4)	(1.2)	(4.9)
15 Other Taxes - Operating Taxes	11.1	10.1	8.9	5.1	8.1
16 Capital Costs	3.6	8.0	8.6	10.8	7.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	89.82	89.58	109.15	98.26	103.83
19 Depreciation and Amortization	186.66	196.46	221.00	204.96	217.63
20 Other Operations Expense	566.36	474.83	444.77	478.34	478.00
21 Income Taxes - Operating Taxes	(54.80)	(44.69)	(30.85)	(11.38)	(43.96)
22 Other Taxes - Operating Taxes	102.91	88.30	80.46	46.23	71.83
23 Capital Costs	33.62	69.90	77.19	99.00	62.50
24 Total	924.57	874.38	901.71	915.41	889.84

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,273,691	\$2,276,821	\$2,389,381	\$2,447,040	\$2,386,238	1
Central Office Assets	23,410,230	23,298,845	22,866,826	22,881,529	22,692,607	2
Information Origination/Termination	275,858	275,858	275,858	275,859	268,547	3
Cable And Wire Facilities	27,171,617	27,031,229	26,958,007	26,800,455	26,666,837	4
Amortizable Assets						5
Total Plant In Service	53,131,396	52,882,753	52,490,072	52,404,883	52,014,229	6
Property Held For Future Use						7
Plant Under Construction	149,533	128,806	422,666	387,869	387,468	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	53,280,929	53,011,559	52,912,738	52,792,752	52,401,697	13
Less Acc. Prov. For Depreciation & Amort.	45,748,301	44,881,905	43,910,811	42,985,210	41,593,758	14
Net Total Utility Plant	\$7,532,628	\$8,129,654	\$9,001,927	\$9,807,542	\$10,807,939	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.66	3.62	0.41	0.84	1.10	16
Total Capitalization	\$11,908,688	\$12,030,090	\$11,961,877	\$11,762,353	\$23,287,928	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-3.39	5.61	12.26	28.58	7.19	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-1.0%	0.6%	1.7%	2.7%	0.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1582.9%	-1551.8%	2796.4%	658.0%	701.3%	25
CWIP as a % of Plant	0.3%	0.2%	0.8%		0.7%	26

Current Assets	1,323,797	2,882,618	1,665,581	1,562,632	1,387,473
Current Liabilities	798,135	796,844	4,067,416	1,869,012	1,262,931
Total Capitalization	11,908,688	12,030,090	11,961,877	11,762,353	23,287,928
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,908,688	12,030,090	11,961,877	11,762,353	23,287,928
Short-Term Debt					
Pretax Income	(110,637)	166,296	329,115	692,513	157,053
Interest Expense	32,675	29,648	26,836	24,231	21,841
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(121,403)	68,213	199,524	474,429	129,712
Internal Cash	4,263,915	(1,533,501)	3,355,205	2,573,037	2,403,748
Cash Outflows for Construction	(269,370)	(98,821)	(119,983)	(391,061)	(342,734)
CWIP	149,533	128,806	422,666		387,468
Total Plant	53,280,929	53,011,559	52,912,738	52,792,752	52,401,697
Shares Outstanding	200	200	200	200	200
Number of Employees	7	7	7	8	9

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$384,307)	(\$500,593)	(\$333,678)	(\$304,271)	(\$148,595)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	372,570	324,725	353,212	292,802	231,857	2
Changes in Deferred Income Taxes	2,642	(130,912)	(524,385)	(293,276)	145,713	3
Changes in Working Capital	789,397	187,757	616,175	119,031	670,599	4
Capitalized AFDC - Equity						5
Other	(109,432)	148,654	18,989	348,358	(34,048)	6
Total Non-Cash Items	1,055,177	530,224	463,991	466,915	1,014,121	7
Net Cash Provided From Operating Activities	<u>670,870</u>	<u>29,630</u>	<u>130,313</u>	<u>162,644</u>	<u>865,526</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(175,799)	(145,274)	(169,388)	(240,162)	(768,638)	9
Purchase of Other Investments						10
Sale of Other Investments	(53,479)	2,138	(583)	221	(119)	11
Other		(7,922)	(6,623)	(27,203)	(28,527)	12
Net Cash Provided From Investing Activities	<u>(229,278)</u>	<u>(151,058)</u>	<u>(176,594)</u>	<u>(267,144)</u>	<u>(797,284)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(11,115)	(12,000)	(87,000)	(9,000)	(156,000)	18
Other Financing	(501,339)	(6,112)	1,779	(2,738)	(55,656)	19
Net Cash Provided From Financing Activities	<u>(512,454)</u>	<u>(18,112)</u>	<u>(85,221)</u>	<u>(11,738)</u>	<u>(211,656)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(70,862)	(139,540)	(131,503)	(116,238)	(143,414)	21
Cash & Equivalents at Beginning of Year	125,227	264,766	396,269	512,507	655,921	22
Cash & Equivalents at End of Year	\$54,365	\$125,227	\$264,766	\$396,269	\$512,507	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,337,436	\$2,287,175	\$2,373,383	\$2,469,960	\$2,396,164
2 Access Lines	2,105	2,148	2,207	2,287	2,361
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,139,487	\$1,325,738	\$1,365,179	\$1,393,453	\$1,264,050
4 Depreciation and Amortization	372,570	324,725	353,212	292,802	231,857
5 Other Operations Expense	1,158,867	1,088,668	1,065,978	1,098,276	1,141,079
6 Total Operation Expenses	2,670,925	2,739,130	2,784,369	2,784,531	2,636,986
7 Income Taxes - Operating Taxes	(149,051)	(194,365)	(153,127)	(132,981)	(91,374)
8 Other Taxes - Operating Taxes	100,964	109,186	104,527	116,049	118,004
9 Capital Costs	(285,402)	(366,777)	(362,386)	(297,639)	(267,453)
10 Total	\$2,337,436	\$2,287,175	\$2,373,383	\$2,469,960	\$2,396,164
PERCENT OF REVENUES					
11 Wages and Benefits	48.7	58.0	57.5	56.4	52.8
12 Depreciation and Amortization	15.9	14.2	14.9	11.9	9.7
13 Other Operations Expense	49.6	47.6	44.9	44.5	47.6
14 Income Taxes - Operating Taxes	(6.4)	(8.5)	(6.5)	(5.4)	(3.8)
15 Other Taxes - Operating Taxes	4.3	4.8	4.4	4.7	4.9
16 Capital Costs	(12.2)	(16.0)	(15.3)	(12.1)	(11.2)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	541.32	617.20	618.57	609.29	535.39
19 Depreciation and Amortization	176.99	151.18	160.04	128.03	98.20
20 Other Operations Expense	550.53	506.83	483.00	480.23	483.30
21 Income Taxes - Operating Taxes	(70.81)	(90.49)	(69.38)	(58.15)	(38.70)
22 Other Taxes - Operating Taxes	47.96	50.83	47.36	50.74	49.98
23 Capital Costs	(135.58)	(170.75)	(164.20)	(130.14)	(113.28)
24 Total	1,110.42	1,064.79	1,075.39	1,080.00	1,014.89

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,731,902	\$1,840,667	\$1,834,410	\$1,817,236	\$1,803,372	1
Central Office Assets	2,447,663	2,384,912	2,361,523	2,257,063	2,066,769	2
Information Origination/Termination	52,759	52,759	52,759	52,759	181,672	3
Cable And Wire Facilities	4,650,429	4,558,880	4,541,905	4,477,025	4,475,491	4
Amortizable Assets	438,770	438,771	432,647	416,447	398,040	5
Total Plant In Service	9,321,523	9,275,989	9,223,243	9,020,530	8,925,344	6
Property Held For Future Use						7
Plant Under Construction	40,179	79,289	33,680	90,394	315,881	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,361,702	9,355,278	9,256,923	9,110,924	9,241,224	13
Less Acc. Prov. For Depreciation & Amort.	6,630,327	6,480,610	6,200,666	5,871,426	5,948,867	14
Net Total Utility Plant	\$2,731,375	\$2,874,668	\$3,056,257	\$3,239,498	\$3,292,357	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.16	0.57	0.54	0.85	1.05	16
Total Capitalization	\$6,224,722	\$6,983,651	\$7,460,298	\$7,900,204	\$8,440,724	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	22
Com. Stock Dividends as a % of Earnings	-2.9%	-2.4%	-26.1%	-3.0%	-105.0%	23
Return on Common Equity	-5.8%	-6.9%	-4.3%	-3.7%	-1.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	381.6%	20.4%	76.9%	67.7%	112.6%	25
CWIP as a % of Plant	0.4%	0.8%	0.4%	1.0%	3.4%	26

Current Assets	418,057	1,733,546	1,076,502	1,011,763	969,277
Current Liabilities	2,587,085	3,021,479	1,987,387	1,186,453	926,595
Total Capitalization	6,224,722	6,983,651	7,460,298	7,900,204	8,440,724
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,224,722	6,983,651	7,460,298	7,900,204	8,440,724
Short-Term Debt					
Pretax Income	(536,709)	(695,660)	(485,261)	(436,394)	(216,341)
Interest Expense					
Common Dividends Paid	11,115	12,000	87,000	9,000	156,000
Net Income (Excl. Preferred Stock Dividends)	(384,307)	(500,593)	(333,678)	(304,271)	(148,595)
Internal Cash	670,870	29,630	130,313	162,644	865,526
Cash Outflows for Construction	(175,799)	(145,274)	(169,388)	(240,162)	(768,638)
CWIP	40,179	79,289	33,680	90,394	315,881
Total Plant	9,361,702	9,355,278	9,256,923	9,110,923	9,241,224
Shares Outstanding	800	800	800	800	800
Number of Employees	12	12	15	15	16

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$192,475	\$267,211	\$18,921	\$7,955	(\$152,452)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	133,548	128,103	138,878	258,925	270,547	2
Changes in Deferred Income Taxes	12,167	66,546	28,343	(26,406)	(17,695)	3
Changes in Working Capital	10,926	12,154	(2,575)	69,876	(53,520)	4
Capitalized AFDC - Equity						5
Other	(208,055)	(278,731)	(213,403)	(105,039)	(693)	6
Total Non-Cash Items	(51,414)	(71,928)	(48,757)	197,356	198,639	7
Net Cash Provided From Operating Activities	<u>141,061</u>	<u>195,283</u>	<u>(29,836)</u>	<u>205,311</u>	<u>46,187</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(76,152)	(65,582)	(137,831)	(5,025)	(76,414)	9
Purchase of Other Investments						10
Sale of Other Investments		86,823	9,772	7,500	2,948	11
Other	(62,970)	(133,090)	(27,651)	(94,027)	(90,016)	12
Net Cash Provided From Investing Activities	<u>(139,122)</u>	<u>(111,849)</u>	<u>(155,710)</u>	<u>(91,552)</u>	<u>(163,482)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(7,356)	(6,861)	(6,434)	(44,678)	(122,764)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(120,000)	(120,000)	(59,000)	(50,000)	26,000	17
Dividends Paid						18
Other Financing	91,907	197,075	317,581	22,495	119,357	19
Net Cash Provided From Financing Activities	<u>(35,449)</u>	<u>70,214</u>	<u>252,147</u>	<u>(72,183)</u>	<u>22,593</u>	20
Net Increase (Decrease) in Cash & Equivalents	(33,510)	153,648	66,601	41,576	(94,702)	21
Cash & Equivalents at Beginning of Year	322,173	168,525	101,924	60,348	155,050	22
Cash & Equivalents at End of Year	\$288,663	\$322,173	\$168,525	\$101,924	\$60,348	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,718,642	\$1,701,271	\$1,531,677	\$1,612,681	\$1,688,590
2 Access Lines	1,409	1,442	1,405	1,460	1,517
DOLLAR AMOUNTS					
3 Wages and Benefits	\$846,875	\$924,303	\$976,855	\$988,327	\$1,068,352
4 Depreciation and Amortization	118,268	112,824	123,598	242,660	255,104
5 Other Operations Expense	624,344	588,225	537,643	495,205	566,893
6 Total Operation Expenses	1,589,487	1,625,352	1,638,096	1,726,192	1,890,349
7 Income Taxes - Operating Taxes	(17,276)	7,113	(77,073)	(89,590)	(112,772)
8 Other Taxes - Operating Taxes	79,319	78,834	74,920	78,015	84,852
9 Capital Costs	67,112	(10,028)	(104,266)	(101,936)	(173,839)
10 Total	\$1,718,642	\$1,701,271	\$1,531,677	\$1,612,681	\$1,688,590
PERCENT OF REVENUES					
11 Wages and Benefits	49.3	54.3	63.8	61.3	63.3
12 Depreciation and Amortization	6.9	6.6	8.1	15.0	15.1
13 Other Operations Expense	36.3	34.6	35.1	30.7	33.6
14 Income Taxes - Operating Taxes	(1.0)	0.4	(5.0)	(5.6)	(6.7)
15 Other Taxes - Operating Taxes	4.6	4.6	4.9	4.8	5.0
16 Capital Costs	3.9	(0.6)	(6.8)	(6.3)	(10.3)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	601.05	640.99	695.27	676.94	704.25
19 Depreciation and Amortization	83.94	78.24	87.97	166.21	168.16
20 Other Operations Expense	443.11	407.92	382.66	339.18	373.69
21 Income Taxes - Operating Taxes	(12.26)	4.93	(54.86)	(61.36)	(74.34)
22 Other Taxes - Operating Taxes	56.29	54.67	53.32	53.43	55.93
23 Capital Costs	47.63	(6.95)	(74.21)	(69.82)	(114.59)
24 Total	1,219.76	1,179.80	1,090.16	1,104.58	1,113.11

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,448,505	\$1,493,377	\$1,589,255	\$1,527,033	\$1,617,662	1
Central Office Assets	1,287,420	1,318,383	1,301,195	1,381,382	1,422,446	2
Information Origination/Termination	63,377	63,377	63,377	63,377	63,377	3
Cable And Wire Facilities	2,154,788	2,150,117	2,132,608	2,122,388	2,120,980	4
Amortizable Assets						5
Total Plant In Service	4,954,090	5,025,254	5,086,435	5,094,180	5,224,465	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition	72,460	72,460	72,459	72,459	72,459	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	5,026,550	5,097,714	5,158,894	5,166,639	5,296,924	13
Less Acc. Prov. For Depreciation & Amort.	4,020,635	4,034,403	4,018,939	4,015,865	3,885,735	14
Net Total Utility Plant	\$1,005,915	\$1,063,311	\$1,139,955	\$1,150,774	\$1,411,189	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.15	1.11	0.98	1.08	1.08	16
Total Capitalization	\$2,586,099	\$2,520,980	\$2,380,630	\$2,427,143	\$2,513,866	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.3%	0.6%	1.0%	1.2%	1.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	96.0%	90.9%	85.0%	82.6%	79.4%	20
Short-Term Debt	3.7%	8.5%	14.0%	16.2%	19.6%	21
Pretax Coverage of Interest Expense	11.22	13.08	-1.02	2.81	-10.14	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	8.1%	12.4%	0.9%	0.4%	-7.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	185.2%	297.8%	-21.6%	4085.8%	60.4%	25
CWIP as a % of Plant						26

Current Assets	2,081,286	2,043,140	1,715,395	1,645,519	1,470,535
Current Liabilities	1,813,787	1,837,935	1,743,562	1,520,339	1,362,747
Total Capitalization	2,586,099	2,520,980	2,380,630	2,427,143	2,513,866
Long-Term Debt	7,665	15,539	22,882	29,767	25,041
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,483,562	2,291,087	2,023,876	2,004,955	1,997,000
Short-Term Debt	94,872	214,354	333,872	392,421	491,825
Pretax Income	205,898	300,754	(28,161)	(58,202)	(240,138)
Interest Expense	18,356	22,997	27,522	(20,694)	23,673
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	192,475	267,211	18,921	7,955	(152,452)
Internal Cash	141,061	195,283	(29,836)	205,311	46,187
Cash Outflows for Construction	(76,152)	(65,582)	(137,831)	(5,025)	(76,414)
CWIP					
Total Plant	5,026,550	5,097,714	5,158,894	5,166,639	5,296,924
Shares Outstanding	873	873	873	873	873
Number of Employees	8	8	9	9	9

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$7,045)	(\$3,054)	(\$46,934)	\$62,903	\$65,923	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	364,119	398,021	379,632	424,951	475,000	2
Changes in Deferred Income Taxes	(12,676)	5,880	49,046	(86,033)	(24,319)	3
Changes in Working Capital	292,764	169,655	(64,812)	440,908	(60,859)	4
Capitalized AFDC - Equity						5
Other	256,924	69,514	484,656	(255,568)	(16,390)	6
Total Non-Cash Items	901,131	643,070	848,522	524,258	373,432	7
Net Cash Provided From Operating Activities	<u>894,086</u>	<u>640,016</u>	<u>801,588</u>	<u>587,161</u>	<u>439,355</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(597,680)	(310,899)	(384,704)	(216,159)	(251,135)	9
Purchase of Other Investments	(57,880)	(78,590)	(79,623)	(83,361)	309,136	10
Sale of Other Investments	618	(1,439)	(1,396)	(3,784)	(3,586)	11
Other						12
Net Cash Provided From Investing Activities	<u>(654,942)</u>	<u>(390,928)</u>	<u>(465,723)</u>	<u>(303,304)</u>	<u>54,415</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(26,880)	(25,578)	(24,334)	(23,164)	(31,859)	14
Common Stock			(227,500)	(227,500)	(618,703)	15
Preferred Stock						16
Short-Term Debt	50,000	(120,000)	(15,000)			17
Dividends Paid	(227,500)	(170,625)				18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(204,380)</u>	<u>(316,203)</u>	<u>(266,834)</u>	<u>(250,664)</u>	<u>(650,562)</u>	20
Net Increase (Decrease) in Cash & Equivalents	34,764	(67,115)	69,031	33,193	(156,792)	21
Cash & Equivalents at Beginning of Year	374,884	441,999	372,968	339,775	496,567	22
Cash & Equivalents at End of Year	\$409,648	\$374,884	\$441,999	\$372,968	\$339,775	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,074,178	\$2,077,144	\$1,992,964	\$2,251,838	\$2,245,736
2 Access Lines	2,692	2,841	2,996	3,136	3,378
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,263,139	\$1,188,163	\$1,139,562	\$1,048,385	\$942,713
4 Depreciation and Amortization	353,947	387,848	369,461	414,780	464,658
5 Other Operations Expense	986,484	970,519	1,008,559	965,903	844,304
6 Total Operation Expenses	2,603,570	2,546,530	2,517,582	2,429,068	2,251,675
7 Income Taxes - Operating Taxes	(209,762)	(199,427)	(201,983)	(96,445)	(45,432)
8 Other Taxes - Operating Taxes	94,032	92,944	100,488	117,527	120,944
9 Capital Costs	(413,662)	(362,903)	(423,123)	(198,312)	(81,451)
10 Total	\$2,074,178	\$2,077,144	\$1,992,964	\$2,251,838	\$2,245,736
PERCENT OF REVENUES					
11 Wages and Benefits	60.9	57.2	57.2	46.6	42.0
12 Depreciation and Amortization	17.1	18.7	18.5	18.4	20.7
13 Other Operations Expense	47.6	46.7	50.6	42.9	37.6
14 Income Taxes - Operating Taxes	(10.1)	(9.6)	(10.1)	(4.3)	(2.0)
15 Other Taxes - Operating Taxes	4.5	4.5	5.0	5.2	5.4
16 Capital Costs	(19.9)	(17.5)	(21.2)	(8.8)	(3.6)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	469.22	418.22	380.36	334.31	279.07
19 Depreciation and Amortization	131.48	136.52	123.32	132.26	137.55
20 Other Operations Expense	366.45	341.61	336.64	308.00	249.94
21 Income Taxes - Operating Taxes	(77.92)	(70.20)	(67.42)	(30.75)	(13.45)
22 Other Taxes - Operating Taxes	34.93	32.72	33.54	37.48	35.80
23 Capital Costs	(153.66)	(127.74)	(141.23)	(63.24)	(24.11)
24 Total	770.50	731.13	665.21	718.06	664.81

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,291,459	\$2,218,682	\$2,039,066	\$2,008,274	\$2,006,782	1
Central Office Assets	4,718,685	4,670,804	4,570,266	4,515,825	4,430,614	2
Information Origination/Termination	145,154	145,154	145,154	145,154	145,154	3
Cable And Wire Facilities	6,116,363	6,058,190	5,911,704	5,849,230	5,808,990	4
Amortizable Assets	290	290	290	290	290	5
Total Plant In Service	13,271,951	13,093,120	12,666,480	12,518,773	12,391,830	6
Property Held For Future Use						7
Plant Under Construction	446,163	66,480	202,153	4,095		8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	13,718,114	13,159,600	12,868,633	12,522,868	12,391,830	13
Less Acc. Prov. For Depreciation & Amort.	11,457,612	11,129,646	10,756,208	10,415,885	10,073,838	14
Net Total Utility Plant	\$2,260,502	\$2,029,954	\$2,112,425	\$2,106,983	\$2,317,992	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.41	2.19	3.16	2.02	6.91	16
Total Capitalization	\$5,906,025	\$6,116,806	\$6,430,972	\$6,743,782	\$6,748,491	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.5%	0.9%	1.3%	1.6%	1.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	97.8%	98.3%	96.1%	95.7%	98.1%	20
Short-Term Debt	1.7%	0.8%	2.6%	2.7%		21
Pretax Coverage of Interest Expense	52.75	-75.05	-85.31	-32.61	17.23	22
Com. Stock Dividends as a % of Earnings	-3229.2%	-5586.9%	-484.7%	361.7%	938.5%	23
Return on Common Equity	-0.1%	-0.1%	-0.7%	1.0%	1.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	149.6%	205.9%	208.4%	271.6%	174.9%	25
CWIP as a % of Plant	3.3%	0.5%	1.6%	0.0%		26

Current Assets	973,697	974,703	1,013,550	1,031,410	1,084,615
Current Liabilities	690,335	445,040	320,704	509,864	156,852
Total Capitalization	5,906,025	6,116,806	6,430,972	6,743,782	6,748,491
Long-Term Debt	28,338	55,218	80,796	105,130	128,294
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,777,687	6,011,588	6,180,176	6,453,652	6,620,197
Short-Term Debt	100,000	50,000	170,000	185,000	
Pretax Income	(221,533)	(200,841)	(247,236)	(33,489)	20,370
Interest Expense	(4,200)	2,676	2,898	1,027	1,182
Common Dividends Paid	227,500	170,625	227,500	227,500	618,703
Net Income (Excl. Preferred Stock Dividends)	(7,045)	(3,054)	(46,934)	62,903	65,923
Internal Cash	894,086	640,016	801,588	587,161	439,355
Cash Outflows for Construction	(597,680)	(310,899)	(384,704)	(216,159)	(251,135)
CWIP	446,163	66,480	202,153	4,095	
Total Plant	13,718,114	13,159,600	12,868,633	12,522,868	12,391,830
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	22	20	19	17	18

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$89,739)	(\$55,454)	(\$459,056)	(\$378,003)	(\$94,619)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	427,312	664,279	1,262,745	1,046,050	753,774	2
Changes in Deferred Income Taxes	47,307	(74,969)	(238,837)	(225,050)	15,787	3
Changes in Working Capital	(113,179)	(67,406)	163,676	397,246	147,225	4
Capitalized AFDC - Equity						5
Other	(8,806)	(115,760)	76,462	166,190	176,607	6
Total Non-Cash Items	352,634	406,144	1,264,046	1,384,436	1,093,393	7
Net Cash Provided From Operating Activities	<u>262,895</u>	<u>350,690</u>	<u>804,990</u>	<u>1,006,433</u>	<u>998,774</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(872,055)	(595,947)	(563,983)	(1,062,482)	(1,218,047)	9
Purchase of Other Investments	40,000	100,000	30,000			10
Sale of Other Investments	21,387	1,404	2,658	10,456	(16,252)	11
Other						12
Net Cash Provided From Investing Activities	<u>(810,668)</u>	<u>(494,543)</u>	<u>(531,325)</u>	<u>(1,052,026)</u>	<u>(1,234,299)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(97,646)	(90,505)	(83,967)	(77,929)	(72,323)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	410,000					17
Dividends Paid			(67,788)	(98,600)	(98,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>312,354</u>	<u>(90,505)</u>	<u>(151,755)</u>	<u>(176,529)</u>	<u>(170,923)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(235,419)	(234,358)	121,910	(222,122)	(406,448)	21
Cash & Equivalents at Beginning of Year	844,960	1,079,318	957,408	1,179,530	1,585,978	22
Cash & Equivalents at End of Year	\$609,541	\$844,960	\$1,079,318	\$957,408	\$1,179,530	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$3,635,232	\$3,793,394	\$4,272,373	\$4,259,778	\$4,433,141
2 Access Lines	5,022	5,279	5,453	5,407	5,846
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,682,376	\$1,680,481	\$1,950,391	\$2,059,496	\$2,114,713
4 Depreciation and Amortization	426,749	663,716	1,262,182	1,045,487	753,199
5 Other Operations Expense	1,131,568	1,056,248	1,094,535	1,075,531	979,977
6 Total Operation Expenses	3,240,693	3,400,445	4,307,108	4,180,514	3,847,889
7 Income Taxes - Operating Taxes	8,301	11,242	(124,435)	(88,131)	64,639
8 Other Taxes - Operating Taxes	333,732	320,015	315,301	310,904	301,695
9 Capital Costs	52,506	61,692	(225,601)	(143,509)	218,918
10 Total	\$3,635,232	\$3,793,394	\$4,272,373	\$4,259,778	\$4,433,141
PERCENT OF REVENUES					
11 Wages and Benefits	46.3	44.3	45.7	48.3	47.7
12 Depreciation and Amortization	11.7	17.5	29.5	24.5	17.0
13 Other Operations Expense	31.1	27.8	25.6	25.2	22.1
14 Income Taxes - Operating Taxes	0.2	0.3	(2.9)	(2.1)	1.5
15 Other Taxes - Operating Taxes	9.2	8.4	7.4	7.3	6.8
16 Capital Costs	1.4	1.6	(5.3)	(3.4)	4.9
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	335.00	318.33	357.67	380.89	361.74
19 Depreciation and Amortization	84.98	125.73	231.47	193.36	128.84
20 Other Operations Expense	225.32	200.08	200.72	198.91	167.63
21 Income Taxes - Operating Taxes	1.65	2.13	(22.82)	(16.30)	11.06
22 Other Taxes - Operating Taxes	66.45	60.62	57.82	57.50	51.61
23 Capital Costs	10.46	11.69	(41.37)	(26.54)	37.45
24 Total	723.86	718.58	783.49	787.83	758.32

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,617,449	\$3,569,503	\$3,600,790	\$3,577,113	\$3,556,657	1
Central Office Assets	8,712,240	8,658,263	8,307,385	8,141,733	7,944,444	2
Information Origination/Termination	62,184	63,387	64,912	65,524	67,071	3
Cable And Wire Facilities	12,434,017	12,336,443	11,942,787	11,763,946	11,236,945	4
Amortizable Assets						5
Total Plant In Service	24,825,890	24,627,596	23,915,874	23,548,316	22,805,117	6
Property Held For Future Use						7
Plant Under Construction	100,542	26,895	230,605	359,444	443,639	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	24,926,382	24,654,441	24,146,429	23,907,710	23,248,706	13
Less Acc. Prov. For Depreciation & Amort.	20,054,842	20,167,615	19,493,098	18,516,868	17,847,674	14
Net Total Utility Plant	\$4,871,540	\$4,486,826	\$4,653,331	\$5,390,842	\$5,401,032	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.74	3.57	3.61	4.04	12.10	16
Total Capitalization	\$8,244,112	\$8,021,497	\$8,167,456	\$8,753,617	\$9,308,149	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	9.4%	10.9%	11.8%	12.0%	12.1%	18
Preferred Stock						19
Common Stock & Retained Earnings	85.6%	89.1%	88.2%	88.0%	87.9%	20
Short-Term Debt	5.0%					21
Pretax Coverage of Interest Expense	-2.69	-1.40	-12.41	-7.02	0.14	22
Com. Stock Dividends as a % of Earnings			-9.4%	-26.1%	-104.2%	23
Return on Common Equity	-1.3%	-0.8%	-6.2%	-4.8%	-1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	30.1%	58.8%	142.7%	94.7%	82.0%	25
CWIP as a % of Plant	0.4%	0.1%	1.0%	1.5%	1.9%	26

Current Assets	1,422,916	1,734,103	1,975,359	2,007,741	2,389,302
Current Liabilities	816,661	486,218	547,127	496,660	197,406
Total Capitalization	8,244,112	8,021,497	8,167,456	8,753,617	9,308,149
Long-Term Debt	776,726	874,372	964,877	1,048,844	1,126,773
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,057,386	7,147,125	7,202,579	7,704,773	8,181,376
Short-Term Debt	410,000				
Pretax Income	(87,192)	(48,337)	(579,108)	(443,873)	13,085
Interest Expense	32,401	34,613	46,678	63,246	91,917
Common Dividends Paid			43,138	98,600	98,600
Net Income (Excl. Preferred Stock Dividends)	(89,739)	(55,454)	(459,056)	(378,003)	(94,619)
Internal Cash	262,895	350,690	804,990	1,006,433	998,774
Cash Outflows for Construction	(872,055)	(595,947)	(563,983)	(1,062,482)	(1,218,047)
CWIP	100,542	26,895	230,605	359,444	443,639
Total Plant	24,926,382	24,654,441	24,146,429	23,907,710	23,248,706
Shares Outstanding	580	580	580	580	580
Number of Employees	29	30	30	30	32

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$1,744,647,560)	\$713,322,863	(\$1,762,783,931)	(\$1,638,090,791)	(\$1,484,168,850)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,061,243,296	1,020,469,494	1,172,416,444	1,213,505,532	1,217,966,993	2
Changes in Deferred Income Taxes	(714,682,617)	1,190,075,220	(403,772,011)	(376,559,295)	91,524,748	3
Changes in Working Capital	(14,624,805)	783,806,975	(317,670,099)	(235,726,795)	(58,124,000)	4
Capitalized AFDC - Equity						5
Other	1,534,296,316	(2,461,905,941)	768,493,976	1,338,773,118	1,471,761,988	6
Total Non-Cash Items	1,866,232,190	532,445,748	1,219,468,310	1,939,992,560	2,723,129,730	7
Net Cash Provided From Operating Activities	<u>121,584,630</u>	<u>1,245,768,611</u>	<u>(543,315,621)</u>	<u>301,901,769</u>	<u>1,238,960,880</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,117,703,655)	(1,121,739,850)	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)	9
Purchase of Other Investments					(243,900)	10
Sale of Other Investments	60,235,000	400,768,000	9,696,000	31,703,000	64,649,720	11
Other	(3,989,000)	(27,216,000)	(10,306,625)	(6,996,430)	(10,799,820)	12
Net Cash Provided From Investing Activities	<u>(1,061,457,655)</u>	<u>(748,187,850)</u>	<u>(1,141,217,769)</u>	<u>(1,112,705,685)</u>	<u>(1,150,229,048)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt		(648,143,775)		(1,000,000,000)	(400,000,000)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	901,793,520	174,270,118	1,695,377,318	1,818,684,493	318,184,404	17
Dividends Paid						18
Other Financing	(1,413,868)	1,021,245	(3,705,039)	(2,615,124)	(6,916,237)	19
Net Cash Provided From Financing Activities	<u>900,379,652</u>	<u>(472,852,412)</u>	<u>1,691,672,278</u>	<u>816,069,369</u>	<u>(88,731,833)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(39,493,373)	24,728,349	7,138,888	5,265,453	(1)	21
Cash & Equivalents at Beginning of Year	37,132,690	12,404,341	5,265,453	(0)	1	22
Cash & Equivalents at End of Year	(\$2,360,683)	\$37,132,690	\$12,404,341	\$5,265,453	(\$0)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,230,477,636	\$5,109,592,037	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773
2 Access Lines	2,726,588	3,055,865	3,533,025	4,116,624	4,665,881
DOLLAR AMOUNTS					
3 Wages and Benefits	\$3,987,885,549	\$700,209,325	\$4,230,648,523	\$4,102,532,586	\$3,975,787,157
4 Depreciation and Amortization	1,061,243,296	1,020,469,494	1,172,416,444	1,213,505,532	1,217,966,993
5 Other Operations Expense	2,761,143,551	2,093,950,100	2,253,537,937	2,073,097,107	2,046,021,754
6 Total Operation Expenses	7,810,272,396	3,814,628,919	7,656,602,903	7,389,135,225	7,239,775,904
7 Income Taxes - Operating Taxes	(1,295,169,570)	188,186,285	(1,215,871,315)	(1,067,172,236)	(986,825,930)
8 Other Taxes - Operating Taxes	474,050,207	449,964,142	409,103,078	463,372,993	420,077,795
9 Capital Costs	(1,758,675,397)	656,812,692	(1,810,825,459)	(1,763,503,797)	(1,690,682,996)
10 Total	\$5,230,477,636	\$5,109,592,037	\$5,039,009,207	\$5,021,832,185	\$4,982,344,773
PERCENT OF REVENUES					
11 Wages and Benefits	76.2	13.7	84.0	81.7	79.8
12 Depreciation and Amortization	20.3	20.0	23.3	24.2	24.4
13 Other Operations Expense	52.8	41.0	44.7	41.3	41.1
14 Income Taxes - Operating Taxes	(24.8)	3.7	(24.1)	(21.3)	(19.8)
15 Other Taxes - Operating Taxes	9.1	8.8	8.1	9.2	8.4
16 Capital Costs	(33.6)	12.9	(35.9)	(35.1)	(33.9)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	1,462.59	229.14	1,197.46	996.58	852.10
19 Depreciation and Amortization	389.22	333.94	331.84	294.78	261.04
20 Other Operations Expense	1,012.67	685.22	637.85	503.59	438.51
21 Income Taxes - Operating Taxes	(475.01)	61.58	(344.14)	(259.23)	(211.50)
22 Other Taxes - Operating Taxes	173.86	147.25	115.79	112.56	90.03
23 Capital Costs	(645.01)	214.94	(512.54)	(428.39)	(362.35)
24 Total	1,918.32	1,672.06	1,426.26	1,219.89	1,067.83

Notes:

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

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

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,126,886,540	\$3,121,514,518	\$3,292,526,951	\$3,311,665,669	\$3,362,887,657	1
Central Office Assets	10,024,767,138	9,691,254,479	9,432,087,428	9,235,659,759	11,298,110,583	2
Information Origination/Termination	190,504,242	191,220,134	192,173,401	189,115,838	257,751,813	3
Cable And Wire Facilities	13,409,459,813	13,460,001,807	13,017,851,853	15,841,309,270	14,197,055,055	4
Amortizable Assets	997,413,288	990,649,396	938,079,195	907,063,296	283,809,331	5
Total Plant In Service	27,749,031,021	27,454,640,334	26,872,718,827	29,484,813,832	29,399,614,439	6
Property Held For Future Use	2,889,010					7
Plant Under Construction	545,325,404	423,752,041	266,985,753	309,454,674	270,657,792	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	(3,222,653)	458,548	2,697,644	9,429,471	15,397,450	11
Goodwill						12
Total Telecommunications Plant	28,294,022,782	27,878,850,923	27,142,402,223	29,803,697,977	29,685,669,681	13
Less Acc. Prov. For Depreciation & Amort.	17,705,608,765	17,362,412,817	16,654,671,344	19,187,261,951	19,126,125,850	14
Net Total Utility Plant	\$10,588,414,017	\$10,516,438,106	\$10,487,730,879	\$10,616,436,026	\$10,559,543,832	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.30	0.14	0.13	0.16	0.21	16
Total Capitalization	\$3,571,534,385	\$4,415,519,313	\$4,177,631,362	\$4,318,817,262	\$5,017,865,064	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt	16.8%	13.6%	25.1%	29.0%	44.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	-146.6%	-79.1%	-100.7%	-54.9%	-17.0%	20
Short-Term Debt	229.9%	165.5%	175.6%	125.9%	72.1%	21
Pretax Coverage of Interest Expense	-8.32	3.67	-8.38	-7.92	-6.20	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	40.0%	-18.5%	53.6%	101.6%	3612.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	10.9%	111.1%	-47.6%	26.5%	102.9%	25
CWIP as a % of Plant	1.9%	1.5%	1.0%	1.0%	0.9%	26

Current Assets	3,525,460,855	1,171,633,564	1,025,188,884	967,117,679	970,776,212
Current Liabilities	11,818,487,604	8,480,024,028	7,659,890,320	5,994,294,183	4,614,761,501
Total Capitalization	3,571,534,385	4,415,519,313	4,177,631,362	4,318,817,262	5,017,865,064
Long-Term Debt	598,350,776	599,210,014	1,049,886,042	1,250,713,781	2,250,735,680
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(5,237,180,395)	(3,492,532,839)	(4,206,159,390)	(2,370,554,036)	(852,802,724)
Short-Term Debt	8,210,364,004	7,308,842,139	7,333,904,710	5,438,657,517	3,619,932,108
Pretax Income	(2,769,682,623)	1,325,959,115	(2,685,843,337)	(2,401,271,531)	(2,114,458,214)
Interest Expense	332,869,138	360,973,951	320,324,314	303,059,066	341,143,136
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(1,744,647,560)	713,322,863	(1,762,783,931)	(1,638,090,791)	(1,484,168,850)
Internal Cash	121,584,630	1,245,768,611	(543,315,621)	301,901,769	1,238,960,880
Cash Outflows for Construction	(1,117,703,655)	(1,121,739,850)	(1,140,607,144)	(1,137,412,255)	(1,203,835,048)
CWIP	545,325,404	423,752,041	266,985,752	309,454,674	270,657,792
Total Plant	28,294,022,782	27,878,850,923	27,142,402,222	29,803,697,975	29,685,669,681
Shares Outstanding	1	1	1	1	1
Number of Employees	14,451	15,083	15,440	16,223	16,397

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$115,134	(\$77,920)	\$81,900	\$122,203	(\$276,516)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	322,370	314,076	324,527	407,179	\$513,969	2
Changes in Deferred Income Taxes	(32,869)	(18,215)	(13,311)	15,823	(42,935)	3
Changes in Working Capital	106,935	146,695	(405,341)	409,984	137,153	4
Capitalized AFDC - Equity						5
Other	(210,463)	(127,387)	327,395	(238,229)	76,635	6
Total Non-Cash Items	185,973	315,169	233,270	594,757	684,822	7
Net Cash Provided From Operating Activities	<u>301,107</u>	<u>237,249</u>	<u>315,170</u>	<u>716,960</u>	<u>408,306</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(127,878)	(200,500)	(211,421)	(190,985)	(182,098)	9
Purchase of Other Investments	(602,780)	(1,345,752)	(171,849)	(792,696)	(293,526)	10
Sale of Other Investments	580,046	1,376,731	212,456	311,560	303,507	11
Other						12
Net Cash Provided From Investing Activities	<u>(150,612)</u>	<u>(169,521)</u>	<u>(170,814)</u>	<u>(672,121)</u>	<u>(172,117)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(78,500)	(78,500)	(78,500)	(78,500)	(53,095)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(78,500)</u>	<u>(78,500)</u>	<u>(78,500)</u>	<u>(78,500)</u>	<u>(53,095)</u>	20
Net Increase (Decrease) in Cash & Equivalents	71,995	(10,772)	65,856	(33,661)	183,094	21
Cash & Equivalents at Beginning of Year	400,095	410,867	345,011	378,672	195,578	22
Cash & Equivalents at End of Year	\$472,090	\$400,095	\$410,867	\$345,011	\$378,672	23

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

	2014	2013	2012	2011	2010
1 Revenues	2,516,103	2,334,966	\$2,453,642	\$2,636,847	\$2,540,848
2 Access Lines	2,410	2,528	2,687	2,812	2,987
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,490,895	\$1,509,964	\$1,529,985	\$1,515,539	\$1,442,021
4 Depreciation and Amortization	322,154	315,365	324,311	406,963	511,246
5 Other Operations Expense	720,141	784,304	729,714	691,749	733,077
6 Total Operation Expenses	2,533,190	2,609,633	2,584,010	2,614,251	2,686,344
7 Income Taxes - Operating Taxes	(64,521)	(143,929)	(102,771)	(51,570)	(108,054)
8 Other Taxes - Operating Taxes	148,420	144,278	141,549	144,176	168,103
9 Capital Costs	(100,986)	(275,016)	(169,146)	(70,010)	(205,545)
10 Total	\$2,516,103	\$2,334,966	\$2,453,642	\$2,636,847	\$2,540,848
PERCENT OF REVENUES					
11 Wages and Benefits	59.3	64.7	62.4	57.5	56.8
12 Depreciation and Amortization	12.8	13.5	13.2	15.4	20.1
13 Other Operations Expense	28.6	33.6	29.7	26.2	28.9
14 Income Taxes - Operating Taxes	(2.6)	(6.2)	(4.2)	(2.0)	(4.3)
15 Other Taxes - Operating Taxes	5.9	6.2	5.8	5.5	6.6
16 Capital Costs	(4.0)	(11.8)	(6.9)	(2.7)	(8.1)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	618.63	597.30	569.40	538.95	482.77
19 Depreciation and Amortization	133.67	124.75	120.70	144.72	171.16
20 Other Operations Expense	298.81	310.25	271.57	246.00	245.42
21 Income Taxes - Operating Taxes	(26.77)	(56.93)	(38.25)	(18.34)	(36.17)
22 Other Taxes - Operating Taxes	61.59	57.07	52.68	51.27	56.28
23 Capital Costs	(41.90)	(108.79)	(62.95)	(24.90)	(68.81)
24 Total	1,044.03	923.64	913.15	937.71	850.64

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,603,756	\$2,560,696	\$2,608,044	\$2,657,712	\$2,662,111	1
Central Office Assets	3,220,685	3,216,489	3,220,763	3,197,373	3,159,974	2
Information Origination/Termination	80,125	80,755	81,258	82,387	83,613	3
Cable And Wire Facilities	5,646,725	5,608,690	5,523,008	5,428,657	5,321,102	4
Amortizable Assets	45	45	45	45	45	5
Total Plant In Service	11,551,336	11,466,675	11,433,118	11,366,174	11,226,845	6
Property Held For Future Use						7
Plant Under Construction	30,970	13,824	48,713	31,788	46,095	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	11,582,306	11,480,499	11,481,831	11,397,962	11,272,940	13
Less Acc. Prov. For Depreciation & Amort.	9,608,373	9,297,324	9,154,575	8,932,359	8,576,991	14
Net Total Utility Plant	\$1,973,933	\$2,183,175	\$2,327,256	\$2,465,603	\$2,695,949	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.43	5.02	13.89	1.51	6.05	16
Total Capitalization	\$4,345,518	\$4,224,049	\$4,149,294	\$4,500,607	\$4,241,557	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	10.1%	12.2%	14.3%	15.0%	17.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	89.9%	87.8%	85.7%	85.0%	82.3%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	4.11	-7.96	0.88	3.87	-6.46	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	3.0%	-2.1%	2.2%	3.3%	-7.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	235.5%	118.3%	149.1%	375.4%	224.2%	25
CWIP as a % of Plant	0.3%	0.1%	0.4%	0.3%	0.4%	26

Current Assets	790,925	665,971	695,762	648,224	718,253
Current Liabilities	326,096	132,633	50,088	428,418	118,714
Total Capitalization	4,345,518	4,224,049	4,149,294	4,500,607	4,241,557
Long-Term Debt	438,292	516,792	595,292	673,792	752,292
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,907,226	3,707,257	3,554,002	3,826,815	3,489,265
Short-Term Debt					
Pretax Income	81,031	(181,914)	23,029	114,048	(327,638)
Interest Expense	19,719	22,844	26,313	29,481	50,738
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	115,134	(77,920)	81,900	122,203	(276,516)
Internal Cash	301,107	237,249	315,170	716,960	408,306
Cash Outflows for Construction	(127,878)	(200,500)	(211,421)	(190,985)	(182,098)
CWIP	30,970	13,824	48,713	31,788	46,095
Total Plant	11,582,306	11,480,499	11,481,831	11,397,962	11,272,940
Shares Outstanding	23	23	23	23	23
Number of Employees	18	20	20	20	20

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$90,608)	\$645,237	(\$279,365)	(\$637,654)	(\$13,909)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	188,104	290,175	284,829	284,999	290,941	2
Changes in Deferred Income Taxes	(164,463)	(288,392)	(243,705)	(249,465)	(168,238)	3
Changes in Working Capital	536,558	1,069,765	(129,073)	(106,836)	264,186	4
Capitalized AFDC - Equity						5
Other	(163,619)	(1,030,588)	58,020	446,677	(54,657)	6
Total Non-Cash Items	396,580	40,960	(29,929)	375,375	332,232	7
Net Cash Provided From Operating Activities	<u>305,972</u>	<u>686,197</u>	<u>(309,294)</u>	<u>(262,279)</u>	<u>318,323</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	14,260	(3,074)	(64,223)	(28,356)	(82,982)	9
Purchase of Other Investments	(2,267)	124,655	(355,710)	15,426	(10,209)	10
Sale of Other Investments		16,688		1,723	13,725	11
Other						12
Net Cash Provided From Investing Activities	<u>11,993</u>	<u>138,269</u>	<u>(419,933)</u>	<u>(11,207)</u>	<u>(79,466)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(157,457)	(139,461)	(19,195)	(180,146)	(241,363)	14
Common Stock						15
Preferred Stock	(300)					16
Short-Term Debt	(67,161)	(581,810)	902,820	(18,503)	22,685	17
Dividends Paid	(5,991)	(6,000)	(6,000)	(7,034)	(8,067)	18
Other Financing	(74,580)	(111,390)	(186,518)	393,124		19
Net Cash Provided From Financing Activities	<u>(305,489)</u>	<u>(838,661)</u>	<u>691,107</u>	<u>187,441</u>	<u>(226,745)</u>	20
Net Increase (Decrease) in Cash & Equivalents	12,476	(14,195)	(38,120)	(86,045)	12,112	21
Cash & Equivalents at Beginning of Year	(10,262)	3,933	42,053	128,098	115,986	22
Cash & Equivalents at End of Year	\$2,213	(\$10,262)	\$3,933	\$42,053	\$128,098	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,178,229	\$1,180,051	\$1,461,087	\$1,746,260	\$2,157,188
2 Access Lines	1,118	1,238	1,313	1,419	1,556
DOLLAR AMOUNTS					
3 Wages and Benefits	\$550,428	\$593,405	\$667,280	\$565,501	\$1,036,957
4 Depreciation and Amortization	169,799	271,068	261,668	257,511	259,412
5 Other Operations Expense	655,425	675,970	654,091	973,465	727,037
6 Total Operation Expenses	1,375,653	1,540,443	1,583,039	1,796,477	2,023,406
7 Income Taxes - Operating Taxes	(148,344)	(224,756)	(125,774)	(99,166)	(54,461)
8 Other Taxes - Operating Taxes	94,859	95,404	125,670	133,788	139,883
9 Capital Costs	(143,938)	(231,041)	(121,848)	(84,840)	48,360
10 Total	\$1,178,229	\$1,180,051	\$1,461,087	\$1,746,260	\$2,157,188
PERCENT OF REVENUES					
11 Wages and Benefits	46.7	50.3	45.7	32.4	48.1
12 Depreciation and Amortization	14.4	23.0	17.9	14.7	12.0
13 Other Operations Expense	55.6	57.3	44.8	55.7	33.7
14 Income Taxes - Operating Taxes	(12.6)	(19.0)	(8.6)	(5.7)	(2.5)
15 Other Taxes - Operating Taxes	8.1	8.1	8.6	7.7	6.5
16 Capital Costs	(12.2)	(19.6)	(8.3)	(4.9)	2.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	492.33	479.33	508.21	398.52	666.42
19 Depreciation and Amortization	151.88	218.96	199.29	181.47	166.72
20 Other Operations Expense	586.25	546.02	498.17	686.02	467.25
21 Income Taxes - Operating Taxes	(132.69)	(181.55)	(95.79)	(69.88)	(35.00)
22 Other Taxes - Operating Taxes	84.85	77.06	95.71	94.28	89.90
23 Capital Costs	(128.75)	(186.62)	(92.80)	(59.79)	31.08
24 Total	1,053.87	953.19	1,112.79	1,230.63	1,386.37

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,809,294	\$2,809,294	\$2,908,462	\$2,851,753	\$2,866,695	1
Central Office Assets	1,772,363	1,772,363	1,771,251	1,771,251	1,766,772	2
Information Origination/Termination	205,230	205,230	205,230	205,230	205,230	3
Cable And Wire Facilities	5,039,005	5,037,032	5,033,700	5,031,315	5,012,230	4
Amortizable Assets	150	150	150	150	150	5
Total Plant In Service	9,826,042	9,824,069	9,918,793	9,859,699	9,851,077	6
Property Held For Future Use						7
Plant Under Construction			2,241	588	1,128	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	9,826,042	9,824,069	9,921,034	9,860,287	9,852,205	13
Less Acc. Prov. For Depreciation & Amort.	8,529,539	8,342,256	8,135,383	7,844,470	7,573,937	14
Net Total Utility Plant	\$1,296,503	\$1,481,813	\$1,785,650	\$2,015,817	\$2,278,268	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.13	0.14	0.46	0.83	0.76	16
Total Capitalization	\$2,052,002	\$2,693,241	\$2,886,591	\$2,474,849	\$2,925,064	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	40.5%	37.0%	38.8%	46.4%	45.0%	18
Preferred Stock	4.9%	3.7%	3.5%	4.0%	3.4%	19
Common Stock & Retained Earnings	32.5%	40.2%	19.2%	41.5%	43.7%	20
Short-Term Debt	22.2%	19.1%	38.5%	8.1%	7.9%	21
Pretax Coverage of Interest Expense	-0.92	4.15	-2.56	-6.59	0.47	22
Com. Stock Dividends as a % of Earnings				-0.2%	-10.4%	23
Return on Common Equity	-11.0%	78.1%	-36.1%	-55.8%	-1.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-2145.7%	22322.6%	-481.6%	-924.9%	383.6%	25
CWIP as a % of Plant			0.0%	0.0%	0.0%	26

Current Assets	301,602	235,400	849,378	828,294	687,668
Current Liabilities	2,368,583	1,710,198	1,862,869	1,001,355	910,728
Total Capitalization	2,052,002	2,693,241	2,886,591	2,474,849	2,925,064
Long-Term Debt	830,826	996,057	1,119,713	1,148,343	1,316,784
Preferred Stock	99,700	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	666,441	1,082,762	554,840	1,026,724	1,278,290
Short-Term Debt	455,035	514,422	1,112,037	199,782	229,990
Pretax Income	(115,503)	552,655	(292,234)	(640,176)	59,631
Interest Expense	124,945	133,299	113,962	97,076	125,740
Common Dividends Paid				1,034	2,067
Net Income (Excl. Preferred Stock Dividends)	(96,599)	639,237	(285,365)	(643,654)	(19,909)
Internal Cash	305,972	686,197	(309,294)	(262,279)	318,323
Cash Outflows for Construction	14,260	(3,074)	(64,223)	(28,356)	(82,982)
CWIP			2,241	588	1,128
Total Plant	9,826,042	9,824,069	9,921,034	9,860,287	9,852,205
Shares Outstanding	820	581	689	689	689
Number of Employees	22	24	16	14	16

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$232	\$322,030	\$553,167	\$264,554	\$568,674	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	763,926	914,783	1,957,206	2,158,526	2,128,298	2
Changes in Deferred Income Taxes	(122,618)	(172,459)	(78,672)	(78,672)	(78,672)	3
Changes in Working Capital	(49,563)	(4,605,766)	3,300,683	1,354,927	398,933	4
Capitalized AFDC - Equity						5
Other	10,409	(32,470)	(357,468)	(145,936)	(672,113)	6
Total Non-Cash Items	602,153	(3,895,912)	4,821,749	3,288,845	1,776,447	7
Net Cash Provided From Operating Activities	<u>602,385</u>	<u>(3,573,882)</u>	<u>5,374,916</u>	<u>3,553,399</u>	<u>2,345,121</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(658,502)	(79,959)	(667,553)	(588,896)	(519,557)	9
Purchase of Other Investments	56,117	3,653,841	(4,564,216)	(2,383,585)	(1,813,512)	10
Sale of Other Investments						11
Other				(56,706)	(58,490)	12
Net Cash Provided From Investing Activities	<u>(602,385)</u>	<u>3,573,882</u>	<u>(5,231,769)</u>	<u>(3,029,187)</u>	<u>(2,391,559)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt			(143,148)	(522,681)	49,946	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities			<u>(143,148)</u>	<u>(522,681)</u>	<u>49,946</u>	20
Net Increase (Decrease) in Cash & Equivalents	(0)	(0)	1	1,532	3,509	21
Cash & Equivalents at Beginning of Year	0	0	(0)	(1,532)	(5,041)	22
Cash & Equivalents at End of Year	\$0	\$0	\$0	(\$0)	(\$1,532)	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$5,554,161	\$6,234,978	\$7,435,614	\$7,626,528	\$8,019,602
2 Access Lines	8,016	9,039	9,947	11,046	12,225
DOLLAR AMOUNTS					
3 Wages and Benefits	\$775,134	\$940,612	\$1,142,841	\$1,073,687	\$1,091,261
4 Depreciation and Amortization	832,648	1,399,162	2,076,675	2,158,526	2,128,298
5 Other Operations Expense	3,365,900	2,776,106	2,748,121	3,539,533	3,251,254
6 Total Operation Expenses	4,973,682	5,115,880	5,967,636	6,771,746	6,470,813
7 Income Taxes - Operating Taxes	(262,842)	(72,009)	8,206	(103,734)	26,752
8 Other Taxes - Operating Taxes	569,011	593,340	611,984	450,356	627,711
9 Capital Costs	274,310	597,767	847,788	508,160	894,326
10 Total	\$5,554,161	\$6,234,978	\$7,435,614	\$7,626,528	\$8,019,602
PERCENT OF REVENUES					
11 Wages and Benefits	14.0	15.1	15.4	14.1	13.6
12 Depreciation and Amortization	15.0	22.4	27.9	28.3	26.5
13 Other Operations Expense	60.6	44.5	37.0	46.4	40.5
14 Income Taxes - Operating Taxes	(4.7)	(1.2)	0.1	(1.4)	0.3
15 Other Taxes - Operating Taxes	10.2	9.5	8.2	5.9	7.8
16 Capital Costs	4.9	9.6	11.4	6.7	11.2
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	96.70	104.06	114.89	97.20	89.26
19 Depreciation and Amortization	103.87	154.79	208.77	195.41	174.09
20 Other Operations Expense	419.90	307.13	276.28	320.44	265.95
21 Income Taxes - Operating Taxes	(32.79)	(7.97)	0.83	(9.39)	2.19
22 Other Taxes - Operating Taxes	70.98	65.64	61.52	40.77	51.35
23 Capital Costs	34.22	66.13	85.23	46.00	73.16
24 Total	692.88	689.79	747.52	690.43	656.00

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$3,043,239	\$3,088,537	\$3,196,387	\$3,262,443	\$3,268,439	1
Central Office Assets	20,958,577	20,671,470	20,750,031	20,424,002	20,133,459	2
Information Origination/Termination	134,009	134,009	134,009	134,008	134,008	3
Cable And Wire Facilities	24,626,382	24,335,415	24,029,761	23,484,253	23,202,493	4
Amortizable Assets						5
Total Plant In Service	48,762,206	48,229,430	48,110,187	47,304,706	46,738,399	6
Property Held For Future Use						7
Plant Under Construction	263,002	137,276	176,560	314,487	291,899	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	49,025,208	48,366,706	48,286,747	47,619,193	47,030,298	13
Less Acc. Prov. For Depreciation & Amort.	41,564,332	40,800,406	39,885,623	37,928,414	35,826,594	14
Net Total Utility Plant	\$7,460,876	\$7,566,300	\$8,401,124	\$9,690,779	\$11,203,704	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.13	1.07	0.28	0.54	0.76	16
Total Capitalization	\$32,875,063	\$32,874,831	\$32,552,801	\$32,502,259	\$32,908,082	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt				1.1%	1.5%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	98.5%	96.4%	20
Short-Term Debt				0.4%	2.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	62.99	6.72	8.67	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	0.0%	1.0%	1.7%	0.8%	1.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	91.5%	-3554.8%	929.9%	722.4%	591.9%	25
CWIP as a % of Plant	0.5%	0.3%	0.4%	0.7%	0.6%	26

Current Assets	1,373,816	1,497,492	1,727,791	1,589,578	1,597,088
Current Liabilities	1,218,766	1,393,863	6,216,652	2,921,099	2,102,217
Total Capitalization	32,875,063	32,874,831	32,552,801	32,502,259	32,908,082
Long-Term Debt				359,477	502,624
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	32,875,063	32,874,831	32,552,801	31,999,634	31,735,079
Short-Term Debt				143,148	670,379
Pretax Income	11,178	525,653	846,628	407,340	920,000
Interest Expense			13,441	60,596	106,132
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	232	322,030	553,167	264,553	568,674
Internal Cash	602,385	(2,842,383)	6,207,465	4,254,208	3,075,391
Cash Outflows for Construction	(658,502)	(79,959)	(667,553)	(588,896)	(519,557)
CWIP	263,002	137,276	176,560	314,487	291,899
Total Plant	49,025,208	48,366,706	48,286,747	47,619,193	47,030,298
Shares Outstanding	131,026	131,026	131,026	131,026	131,026
Number of Employees	10	10	10	14	15

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$97,984	\$31,064	(\$67,053)	\$211,035	\$146,937	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	591,678	618,512	592,119	578,687	599,794	2
Changes in Deferred Income Taxes	(28,155)	(91,222)	281,313	(1,399)	77,363	3
Changes in Working Capital	92,778	(48,742)	(284,344)	(92,645)	(51,092)	4
Capitalized AFDC - Equity						5
Other	(235,332)	(111,090)	(248,630)	(165,517)	(161,638)	6
Total Non-Cash Items	420,969	367,458	340,458	319,126	464,427	7
Net Cash Provided From Operating Activities	<u>518,953</u>	<u>398,522</u>	<u>273,405</u>	<u>530,161</u>	<u>611,364</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(498,004)	(182,322)	(528,455)	(356,000)	(165,484)	9
Purchase of Other Investments	(733,090)	(1,174,261)	(604,293)	(1,967,155)	(568,998)	10
Sale of Other Investments	507,100	877,778	399,756	1,660,086	311,241	11
Other			773,850			12
Net Cash Provided From Investing Activities	<u>(723,994)</u>	<u>(478,805)</u>	<u>40,858</u>	<u>(663,069)</u>	<u>(423,241)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	19,446	(165,622)	70,141	(338,593)	(208,051)	14
Common Stock						15
Preferred Stock	(5,600)	(3,000)	(5,000)	(200)	(1,400)	16
Short-Term Debt						17
Dividends Paid	(3,108)	(3,306)	(3,588)	(3,786)	(3,813)	18
Other Financing	(29,677)					19
Net Cash Provided From Financing Activities	<u>(18,939)</u>	<u>(171,928)</u>	<u>61,553</u>	<u>(342,579)</u>	<u>(213,264)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(223,980)	(252,211)	375,816	(475,487)	(25,141)	21
Cash & Equivalents at Beginning of Year	662,422	914,633	538,817	1,014,304	1,039,444	22
Cash & Equivalents at End of Year	\$438,442	\$662,422	\$914,633	\$538,817	\$1,014,304	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,158,148	\$2,156,151	\$2,371,046	\$2,820,077	\$3,410,376
2 Access Lines	1,664	1,861	1,964	2,129	2,327
DOLLAR AMOUNTS					
3 Wages and Benefits	\$588,226	\$773,689	\$792,750	\$851,740	\$820,433
4 Depreciation and Amortization	505,243	594,360	569,901	555,350	586,851
5 Other Operations Expense	979,794	888,218	874,563	1,130,383	1,448,320
6 Total Operation Expenses	2,073,263	2,256,267	2,237,214	2,537,473	2,855,604
7 Income Taxes - Operating Taxes	(20,421)	(121,931)	258,041	(2,543)	22,077
8 Other Taxes - Operating Taxes	184,146	187,048	214,451	210,129	211,266
9 Capital Costs	(78,840)	(165,233)	(338,660)	75,018	321,429
10 Total	\$2,158,148	\$2,156,151	\$2,371,046	\$2,820,077	\$3,410,376
PERCENT OF REVENUES					
11 Wages and Benefits	27.3	35.9	33.4	30.2	24.1
12 Depreciation and Amortization	23.4	27.6	24.0	19.7	17.2
13 Other Operations Expense	45.4	41.2	36.9	40.1	42.5
14 Income Taxes - Operating Taxes	(0.9)	(5.7)	10.9	(0.1)	0.6
15 Other Taxes - Operating Taxes	8.5	8.7	9.0	7.5	6.2
16 Capital Costs	(3.7)	(7.7)	(14.3)	2.7	9.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	353.50	415.74	403.64	400.07	352.57
19 Depreciation and Amortization	303.63	319.38	290.17	260.85	252.19
20 Other Operations Expense	588.82	477.28	445.30	530.95	622.40
21 Income Taxes - Operating Taxes	(12.27)	(65.52)	131.39	(1.19)	9.49
22 Other Taxes - Operating Taxes	110.66	100.51	109.19	98.70	90.79
23 Capital Costs	(47.38)	(88.79)	(172.43)	35.24	138.13
24 Total	1,296.96	1,158.60	1,207.25	1,324.60	1,465.57

Current Assets	4,612,766	4,526,617	4,859,988	2,655,333	2,815,018
Current Liabilities	2,335,821	2,011,258	2,639,814	1,965,211	1,780,064
Total Capitalization	13,098,693	13,101,249	12,786,979	13,009,160	13,198,841
Long-Term Debt	3,272,765	3,253,319	3,418,941	3,348,800	3,687,392
Preferred Stock	19,550	25,150	28,150	33,150	33,350
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,806,378	9,822,780	9,339,888	9,627,210	9,478,099
Short-Term Debt					
Pretax Income	315,586	77,150	392,559	379,806	591,887
Interest Expense	130,012	134,529	173,291	169,618	342,802
Common Dividends Paid	1,767	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	96,643	29,555	(68,844)	209,046	144,921
Internal Cash	518,953	398,522	273,405	530,161	611,364
Cash Outflows for Construction	(498,004)	(182,322)	(528,455)	(356,000)	(165,484)
CWIP				426	441
Total Plant	12,291,214	13,700,710	13,610,053	13,823,094	13,784,397
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	11	10	10	12	13

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$39,708)	(\$128,166)	\$47,452	\$191,430	(\$21,788)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	598,232	604,908	595,476	602,633	600,324	2
Changes in Deferred Income Taxes	(49,599)	(45,321)	(6,717)	85,616	(23,940)	3
Changes in Working Capital	(91,822)	(480,927)	159,135	(812,850)	(157,022)	4
Capitalized AFDC - Equity						5
Other	6,626	(157,339)	(35,308)	(8,397)	39,549	6
Total Non-Cash Items	463,437	(78,679)	712,586	(132,998)	458,911	7
Net Cash Provided From Operating Activities	<u>423,729</u>	<u>(206,845)</u>	<u>760,038</u>	<u>58,432</u>	<u>437,123</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(176,354)	(219,623)	(384,025)	(107,912)	(303,696)	9
Purchase of Other Investments	(1,635,743)	(913,980)	(822,247)	(1,013,637)	(555,531)	10
Sale of Other Investments	1,689,756	1,703,565	880,352	1,041,689	1,167,019	11
Other	28,103	81,156	54,645	(3,497)	49,476	12
Net Cash Provided From Investing Activities	<u>(94,238)</u>	<u>651,118</u>	<u>(271,275)</u>	<u>(83,357)</u>	<u>357,268</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(272,782)	(242,956)	(364,893)	(239,413)	(357,530)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(39,533)	17
Dividends Paid	(48,865)	(48,975)	(49,073)	(43,928)	(43,686)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(321,647)</u>	<u>(291,931)</u>	<u>(413,966)</u>	<u>(283,341)</u>	<u>(440,749)</u>	20
Net Increase (Decrease) in Cash & Equivalents	7,844	152,342	74,797	(308,266)	353,642	21
Cash & Equivalents at Beginning of Year	583,441	431,099	356,302	664,568	310,926	22
Cash & Equivalents at End of Year	\$591,285	\$583,441	\$431,099	\$356,302	\$664,568	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$3,259,409	\$3,162,242	\$3,439,762	\$3,610,130	\$3,296,261
2 Access Lines	1,830	2,014	2,140	2,307	2,587
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,367,448	\$1,286,581	\$1,288,927	\$1,217,304	\$1,181,208
4 Depreciation and Amortization	598,232	604,908	594,276	601,433	599,124
5 Other Operations Expense	1,618,191	1,476,894	1,449,082	1,360,035	1,395,821
6 Total Operation Expenses	3,583,871	3,368,383	3,332,285	3,178,772	3,176,153
7 Income Taxes - Operating Taxes	(186,204)	(66,421)	(22,763)	73,308	(24,095)
8 Other Taxes - Operating Taxes	156,564	157,413	157,820	162,480	155,480
9 Capital Costs	(294,822)	(297,133)	(27,580)	195,570	(11,277)
10 Total	\$3,259,409	\$3,162,242	\$3,439,762	\$3,610,130	\$3,296,261
PERCENT OF REVENUES					
11 Wages and Benefits	42.0	40.7	37.5	33.7	35.8
12 Depreciation and Amortization	18.4	19.1	17.3	16.7	18.2
13 Other Operations Expense	49.6	46.7	42.1	37.7	42.3
14 Income Taxes - Operating Taxes	(5.7)	(2.1)	(0.7)	2.0	(0.7)
15 Other Taxes - Operating Taxes	4.8	5.0	4.6	4.5	4.7
16 Capital Costs	(9.0)	(9.4)	(0.8)	5.4	(0.3)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	747.24	638.82	602.30	527.66	456.59
19 Depreciation and Amortization	326.90	300.35	277.70	260.70	231.59
20 Other Operations Expense	884.26	733.31	677.14	589.53	539.55
21 Income Taxes - Operating Taxes	(101.75)	(32.98)	(10.64)	31.78	(9.31)
22 Other Taxes - Operating Taxes	85.55	78.16	73.75	70.43	60.10
23 Capital Costs	(161.10)	(147.53)	(12.89)	84.77	(4.36)
24 Total	1,781.10	1,570.13	1,607.37	1,564.86	1,274.16

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,447,861	\$2,309,065	\$2,277,615	\$2,579,895	\$2,449,951	1
Central Office Assets	3,198,256	3,630,818	3,743,549	3,698,814	3,716,579	2
Information Origination/Termination	98,686	112,129	109,821	115,689	117,318	3
Cable And Wire Facilities	6,741,126	6,669,323	6,628,121	6,530,424	6,452,762	4
Amortizable Assets						5
Total Plant In Service	12,485,929	12,721,335	12,759,106	12,924,822	12,736,610	6
Property Held For Future Use						7
Plant Under Construction	115,102	133,325	80,943	22,936	111,995	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	12,601,031	12,854,660	12,840,049	12,947,758	12,848,605	13
Less Acc. Prov. For Depreciation & Amort.	6,362,020	6,276,308	5,838,830	5,747,843	5,206,547	14
Net Total Utility Plant	\$6,239,010	\$6,578,352	\$7,001,219	\$7,199,915	\$7,642,058	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.87	3.75	3.15	3.29	2.72	16
Total Capitalization	\$9,555,069	\$9,922,601	\$10,031,256	\$10,281,407	\$10,300,084	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.5%	2.6%	4.1%	6.5%	8.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	96.3%	94.1%	93.4%	90.6%	88.9%	20
Short-Term Debt	3.2%	3.3%	2.5%	2.9%	3.1%	21
Pretax Coverage of Interest Expense	-8.36	-8.51	2.01	6.01	0.36	22
Com. Stock Dividends as a % of Earnings	-123.1%	-38.2%	103.4%	22.9%	-200.5%	23
Return on Common Equity	-0.4%	-1.4%	0.5%	2.1%	-0.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	240.3%	-94.2%	197.9%	54.1%	143.9%	25
CWIP as a % of Plant	0.9%	1.0%	0.6%	0.2%	0.9%	26

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$22,192	\$30,913	(\$657)	\$12,014	\$31,819	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	152,321	78,917	78,404	106,226	96,163	2
Changes in Deferred Income Taxes	(34,205)	(16,913)	2,509	(6,168)	57,134	3
Changes in Working Capital	(9,254)	(24,639)	(31,154)	143,772	(75,305)	4
Capitalized AFDC - Equity	0					5
Other	22,711	(33,336)	(19,139)	3,361	(5,951)	6
Total Non-Cash Items	131,573	4,029	30,620	247,191	72,041	7
Net Cash Provided From Operating Activities	<u>153,765</u>	<u>34,942</u>	<u>29,963</u>	<u>259,205</u>	<u>103,860</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(8,113)	(10,903)	(15,732)	(53,004)	(361,997)	9
Purchase of Other Investments	0					10
Sale of Other Investments	(5,529)	10,951	(840)	(25,598)	10,171	11
Other						12
Net Cash Provided From Investing Activities	<u>(13,642)</u>	<u>48</u>	<u>(16,572)</u>	<u>(78,602)</u>	<u>(351,826)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(123,000)	(431,000)		(162,000)		18
Other Financing					(607,000)	19
Net Cash Provided From Financing Activities	<u>(123,000)</u>	<u>(431,000)</u>	<u>0</u>	<u>(162,000)</u>	<u>(607,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	17,123	(396,010)	13,391	18,603	(854,966)	21
Cash & Equivalents at Beginning of Year	392,155	788,165	774,774	756,171	1,611,138	22
Cash & Equivalents at End of Year	\$409,278	\$392,155	\$788,165	\$774,774	\$756,171	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$463,951	\$379,705	\$346,860	\$428,493	\$444,547
2 Access Lines	321	343	366	409	436
DOLLAR AMOUNTS					
3 Wages and Benefits	\$86,883	\$100,641	\$111,122	\$92,869	\$96,698
4 Depreciation and Amortization	152,321	78,917	78,404	106,226	96,163
5 Other Operations Expense	157,139	129,417	135,491	223,939	158,071
6 Total Operation Expenses	396,343	308,975	325,017	423,034	350,932
7 Income Taxes - Operating Taxes	11,679	16,299	(1,361)	(6,962)	23,962
8 Other Taxes - Operating Taxes	33,697	24,217	25,731	26,733	25,268
9 Capital Costs	22,232	30,214	(2,527)	(14,312)	44,385
10 Total	\$463,951	\$379,705	\$346,860	\$428,493	\$444,547
PERCENT OF REVENUES					
11 Wages and Benefits	18.7	26.5	32.0	21.7	21.8
12 Depreciation and Amortization	32.8	20.8	22.6	24.8	21.6
13 Other Operations Expense	33.9	34.1	39.1	52.3	35.6
14 Income Taxes - Operating Taxes	2.5	4.3	(0.4)	(1.6)	5.4
15 Other Taxes - Operating Taxes	7.3	6.4	7.4	6.2	5.7
16 Capital Costs	4.8	8.0	(0.7)	(3.3)	10.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	270.66	293.41	303.61	227.06	221.78
19 Depreciation and Amortization	474.52	230.08	214.22	259.72	220.56
20 Other Operations Expense	489.53	377.31	370.19	547.53	362.55
21 Income Taxes - Operating Taxes	36.38	47.52	(3.72)	(17.02)	54.96
22 Other Taxes - Operating Taxes	104.98	70.60	70.30	65.36	57.95
23 Capital Costs	69.26	88.09	(6.90)	(34.99)	101.80
24 Total	1,445.33	1,107.01	947.70	1,047.66	1,019.60

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$108,040	\$108,040	\$139,798	\$139,798	\$139,798	1
Central Office Assets	407,138	416,504	397,993	397,993	342,254	2
Information Origination/Termination	0					3
Cable And Wire Facilities	979,049	1,004,453	1,006,464	1,005,807	996,718	4
Amortizable Assets	17,368	20,518	16,145	8,024	10,884	5
Total Plant In Service	1,511,595	1,549,515	1,560,400	1,551,622	1,489,654	6
Property Held For Future Use						7
Plant Under Construction	968	256	256	194	2,240	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	1,512,563	1,549,771	1,560,656	1,551,816	1,491,894	13
Less Acc. Prov. For Depreciation & Amort.	964,199	862,726	794,646	723,973	636,427	14
Net Total Utility Plant	\$548,364	\$687,045	\$766,010	\$827,843	\$855,467	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	5.90	6.91	10.17	5.79	12.24	16
Total Capitalization	\$858,758	\$959,566	\$1,386,312	\$1,383,388	\$1,532,161	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	-999.00	18643.00	#DIV/0!	22
Com. Stock Dividends as a % of Earnings	554.3%	1394.2%	0.0%	1348.4%	1907.7%	23
Return on Common Equity	2.4%	2.6%	0.0%	0.8%	1.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1895.3%	320.5%	190.5%	489.0%	28.7%	25
CWIP as a % of Plant	0.1%	0.0%	0.0%	0.0%	0.2%	26

Current Assets	478,608	439,303	827,565	827,356	884,913
Current Liabilities	81,132	63,613	81,343	142,938	72,315
Total Capitalization	858,758	959,566	1,386,312	1,383,388	1,532,161
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	858,758	959,566	1,386,312	1,383,388	1,532,161
Short-Term Debt					
Pretax Income	34,282	47,589	(999)	18,643	49,030
Interest Expense			1	1	
Common Dividends Paid	123,000	431,000		162,000	607,000
Net Income (Excl. Preferred Stock Dividends)	22,192	30,913	(657)	12,014	31,819
Internal Cash	153,765	34,942	29,963	259,205	103,860
Cash Outflows for Construction	(8,113)	(10,903)	(15,732)	(53,004)	(361,997)
CWIP	968	256	256	194	2,240
Total Plant	1,512,563	1,549,771	1,560,656	1,551,816	1,491,894
Shares Outstanding	100	100	100	100	100
Number of Employees	0	0	0	0	0

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$51,521	\$41,187	(\$57,547)	\$16,892	(\$81,476)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	63,649	58,492	84,018	144,478	237,257	2
Changes in Deferred Income Taxes			(143,470)	(70,855)	(52,756)	3
Changes in Working Capital	(16,117)	(16,003)	189,338	(32,782)	(19,806)	4
Capitalized AFDC - Equity						5
Other	651	7,875	(70,697)	(258,399)	(33,237)	6
Total Non-Cash Items	48,182	50,365	59,189	(217,558)	131,458	7
Net Cash Provided From Operating Activities	<u>99,703</u>	<u>91,551</u>	<u>1,643</u>	<u>(200,666)</u>	<u>49,982</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(21,960)	31,504	(55,882)	(17,483)	(13,654)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	(3,760)	(3,265)	215,282	(4,664)	(9,605)	12
Net Cash Provided From Investing Activities	<u>(25,719)</u>	<u>28,239</u>	<u>159,400</u>	<u>(22,147)</u>	<u>(23,259)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(84,000)	(42,000)	(84,000)	(16,800)	(42,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(84,000)</u>	<u>(42,000)</u>	<u>(84,000)</u>	<u>(16,800)</u>	<u>(42,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(10,016)	77,790	77,043	(239,613)	(15,277)	21
Cash & Equivalents at Beginning of Year	580,121	502,331	425,288	664,901	680,178	22
Cash & Equivalents at End of Year	\$570,105	\$580,121	\$502,331	\$425,288	\$664,901	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,073,384	\$1,108,963	\$1,199,609	\$1,199,333	\$1,313,222
2 Access Lines	667	706	788	824	905
DOLLAR AMOUNTS					
3 Wages and Benefits	\$617,289	\$639,244	\$723,509	\$785,398	\$807,167
4 Depreciation and Amortization	63,649	58,492	84,018	144,478	237,257
5 Other Operations Expense	297,176	326,196	360,246	435,731	342,653
6 Total Operation Expenses	978,114	1,023,932	1,167,773	1,365,607	1,387,077
7 Income Taxes - Operating Taxes	16,476	14,523	(6,455)	(70,615)	(52,843)
8 Other Taxes - Operating Taxes	59,266	62,785	59,564	70,092	67,380
9 Capital Costs	19,528	7,723	(21,273)	(165,750)	(88,392)
10 Total	\$1,073,384	\$1,108,963	\$1,199,609	\$1,199,333	\$1,313,222
PERCENT OF REVENUES					
11 Wages and Benefits	57.5	57.6	60.3	65.5	61.5
12 Depreciation and Amortization	5.9	5.3	7.0	12.0	18.1
13 Other Operations Expense	27.7	29.4	30.0	36.3	26.1
14 Income Taxes - Operating Taxes	1.5	1.3	(0.5)	(5.9)	(4.0)
15 Other Taxes - Operating Taxes	5.5	5.7	5.0	5.8	5.1
16 Capital Costs	1.8	0.7	(1.8)	(13.8)	(6.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	925.47	905.45	918.16	953.15	891.90
19 Depreciation and Amortization	95.43	82.85	106.62	175.34	262.16
20 Other Operations Expense	445.54	462.03	457.17	528.80	378.62
21 Income Taxes - Operating Taxes	24.70	20.57	(8.19)	(85.70)	(58.39)
22 Other Taxes - Operating Taxes	88.85	88.93	75.59	85.06	74.45
23 Capital Costs	29.28	10.94	(27.00)	(201.15)	(97.67)
24 Total	1,609.27	1,570.77	1,522.35	1,455.50	1,451.07

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$806,912	\$796,912	\$796,912	\$781,461	\$997,551	1
Central Office Assets	1,368,716	1,368,716	1,363,411	1,283,234	1,966,336	2
Information Origination/Termination					894	3
Cable And Wire Facilities	1,847,863	1,841,063	1,814,941	1,817,878	1,807,374	4
Amortizable Assets						5
Total Plant In Service	4,023,492	4,006,691	3,975,264	3,882,573	4,772,155	6
Property Held For Future Use						7
Plant Under Construction	11,226	6,679	89,877	36,894	14,809	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	4,034,718	4,013,370	4,065,141	3,919,467	4,786,964	13
Less Acc. Prov. For Depreciation & Amort.	3,786,314	3,727,037	3,692,078	3,521,514	4,266,680	14
Net Total Utility Plant	\$248,405	\$286,333	\$373,063	\$397,953	\$520,283	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	8.51	7.80	5.58	4.41	12.55	16
Total Capitalization	\$1,228,311	\$1,260,790	\$1,261,603	\$1,184,622	\$1,184,530	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	54398.26	#DIV/0!	-38790.91	98.50	183.34	22
Com. Stock Dividends as a % of Earnings	163.0%	102.0%	-146.0%	99.5%	-51.5%	23
Return on Common Equity	4.1%	3.3%	-4.7%	1.4%	-6.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	454.0%	-290.6%	2.9%	-1147.8%	366.1%	25
CWIP as a % of Plant	0.3%	0.2%	2.2%	0.9%	0.3%	26

Current Assets	773,595	778,531	717,312	863,851	939,037
Current Liabilities	90,868	99,806	128,629	195,929	74,799
Total Capitalization	1,228,311	1,260,790	1,261,603	1,184,622	1,184,530
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,228,311	1,260,790	1,261,603	1,184,622	1,184,530
Short-Term Debt					
Pretax Income	67,998	55,709	(64,005)	(54,210)	(134,480)
Interest Expense	1		2	(550)	(734)
Common Dividends Paid	84,000	42,000	84,000	16,800	42,000
Net Income (Excl. Preferred Stock Dividends)	51,521	41,187	(57,547)	16,892	(81,476)
Internal Cash	99,703	91,551	1,643	(200,665)	49,982
Cash Outflows for Construction	(21,960)	31,504	(55,882)	(17,483)	(13,654)
CWIP	11,226	6,679	89,877	36,894	14,809
Total Plant	4,034,718	4,013,370	4,065,141	3,919,466	4,786,964
Shares Outstanding	1,680	1,680	1,680	1,680	1,680
Number of Employees	6	6	6	8	8

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$84,249)	(\$188,080)	(\$221,805)	(\$32,654)	(\$83,942)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	332,904	483,535	504,284	551,689	440,866	2
Changes in Deferred Income Taxes	34,351	(42,948)	12,457	(68,889)	(18,843)	3
Changes in Working Capital	31,473	308,179	(397,932)	29,839	102,870	4
Capitalized AFDC - Equity	0					5
Other	(33,315)	(13,826)	(11,706)	55,692	(56,731)	6
Total Non-Cash Items	365,413	734,940	107,103	568,331	468,162	7
Net Cash Provided From Operating Activities	<u>281,164</u>	<u>546,860</u>	<u>(114,702)</u>	<u>535,677</u>	<u>384,220</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(135,897)	(212,268)	(448,987)	(155,890)	(79,488)	9
Purchase of Other Investments	0					10
Sale of Other Investments	14,822	(2,230)	358		162,809	11
Other						12
Net Cash Provided From Investing Activities	<u>(121,075)</u>	<u>(214,498)</u>	<u>(448,629)</u>	<u>(155,890)</u>	<u>83,321</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt			(5,868)	(38,142)	(32,274)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing				(324)	(6,934)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>(5,868)</u>	<u>(38,466)</u>	<u>(39,208)</u>	20
Net Increase (Decrease) in Cash & Equivalents	160,089	332,362	(569,199)	341,321	428,333	21
Cash & Equivalents at Beginning of Year	1,994,724	1,662,362	2,231,561	1,890,240	1,461,907	22
Cash & Equivalents at End of Year	\$2,154,813	\$1,994,724	\$1,662,362	\$2,231,561	\$1,890,240	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,904,699	\$2,058,524	\$2,083,097	\$2,141,206	\$2,270,813
2 Access Lines	1,850	1,976	2,137	2,225	2,349
DOLLAR AMOUNTS					
3 Wages and Benefits	\$739,698	\$817,523	\$843,379	\$749,141	\$712,973
4 Depreciation and Amortization	332,904	483,535	504,284	551,690	440,866
5 Other Operations Expense	830,471	922,393	973,366	987,362	966,243
6 Total Operation Expenses	1,903,073	2,223,451	2,321,029	2,288,193	2,120,082
7 Income Taxes - Operating Taxes	(45,788)	(101,378)	(122,365)	(102,643)	6,406
8 Other Taxes - Operating Taxes	132,416	125,300	112,125	146,300	99,642
9 Capital Costs	(85,002)	(188,849)	(227,692)	(190,644)	44,683
10 Total	\$1,904,699	\$2,058,524	\$2,083,097	\$2,141,206	\$2,270,813
PERCENT OF REVENUES					
11 Wages and Benefits	38.8	39.7	40.5	35.0	31.4
12 Depreciation and Amortization	17.5	23.5	24.2	25.8	19.4
13 Other Operations Expense	43.6	44.8	46.7	46.1	42.6
14 Income Taxes - Operating Taxes	(2.4)	(4.9)	(5.9)	(4.8)	0.3
15 Other Taxes - Operating Taxes	7.0	6.1	5.4	6.8	4.4
16 Capital Costs	(4.5)	(9.2)	(10.9)	(8.9)	2.0
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	399.84	413.73	394.66	336.69	303.52
19 Depreciation and Amortization	179.95	244.70	235.98	247.95	187.68
20 Other Operations Expense	448.90	466.80	455.48	443.76	411.34
21 Income Taxes - Operating Taxes	(24.75)	(51.30)	(57.26)	(46.13)	2.73
22 Other Taxes - Operating Taxes	71.58	63.41	52.47	65.75	42.42
23 Capital Costs	(45.95)	(95.57)	(106.55)	(85.68)	19.02
24 Total	1,029.57	1,041.76	974.78	962.34	966.71

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$761,628	\$795,365	\$746,009	\$712,184	\$780,407	1
Central Office Assets	3,803,413	3,625,519	3,750,198	3,644,998	3,606,721	2
Information Origination/Termination	38,738	38,738	38,738	38,738	38,738	3
Cable And Wire Facilities	5,968,678	5,875,159	5,876,846	5,792,715	5,736,781	4
Amortizable Assets	97,644	114,620	88,636	51,909	69,883	5
Total Plant In Service	10,670,101	10,449,401	10,500,427	10,240,544	10,232,530	6
Property Held For Future Use						7
Plant Under Construction	23,364	231,212	229,637	60,712	1,768	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	10,693,465	10,680,613	10,730,064	10,301,256	10,234,298	13
Less Acc. Prov. For Depreciation & Amort.	8,427,267	8,202,587	7,983,003	7,498,539	7,035,781	14
Net Total Utility Plant	\$2,266,198	\$2,478,026	\$2,747,061	\$2,802,717	\$3,198,517	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	11.46	6.63	6.98	6.49	6.55	16
Total Capitalization	\$4,136,488	\$4,219,474	\$4,397,909	\$4,625,020	\$4,695,504	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.9%	99.1%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.1%	0.8%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	-7138.29	-645.43	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	-2.0%	-4.4%	-4.9%	-0.7%	-1.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	206.9%	257.6%	-25.5%	343.6%	483.4%	25
CWIP as a % of Plant	0.2%	2.2%	2.1%	0.6%	0.0%	26

Current Assets	2,473,916	2,517,813	2,463,814	2,667,503	2,284,792
Current Liabilities	215,858	379,964	353,121	411,083	349,004
Total Capitalization	4,136,488	4,219,474	4,397,909	4,625,020	4,695,504
Long-Term Debt					8,802
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,136,488	4,219,474	4,397,909	4,619,152	4,651,170
Short-Term Debt				5,868	35,532
Pretax Income	(129,391)	(289,043)	(341,000)	(49,968)	(146,512)
Interest Expense				7	227
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(84,249)	(188,080)	(221,805)	(32,654)	(83,942)
Internal Cash	281,164	546,860	(114,702)	535,677	384,220
Cash Outflows for Construction	(135,897)	(212,268)	(448,987)	(155,890)	(79,488)
CWIP	23,364	231,212	229,637	60,712	1,768
Total Plant	10,693,465	10,680,613	10,730,064	10,301,256	10,234,298
Shares Outstanding	1,330	1,330	1,330	1,330	1,330
Number of Employees	3	3	3	3	3

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$102,128	(\$374,485)	\$114,557	\$295,841	\$636,230	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	971,771	966,760	895,191	819,216	782,346	2
Changes in Deferred Income Taxes	51,024	26,164	254,053	268,017	401,647	3
Changes in Working Capital	(90,827)	7,747	208,950	115,383	(394,512)	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	931,968	1,000,671	1,358,194	1,202,616	789,481	7
Net Cash Provided From Operating Activities	<u>1,034,096</u>	<u>626,186</u>	<u>1,472,751</u>	<u>1,498,457</u>	<u>1,425,711</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(472,726)	(424,204)	(726,475)	(1,607,959)	(2,853,360)	9
Purchase of Other Investments						10
Sale of Other Investments					1,300	11
Other		(20,932)	(23,061)			12
Net Cash Provided From Investing Activities	<u>(472,726)</u>	<u>(445,136)</u>	<u>(749,536)</u>	<u>(1,607,959)</u>	<u>(2,852,060)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt			(283,732)	406,574	1,500,000	14
Common Stock			(112,000)		(360,000)	15
Preferred Stock						16
Short-Term Debt	(152,345)	(147,849)				17
Dividends Paid						18
Other Financing	(219,425)	55,625	(504,824)	(90,750)	(109,767)	19
Net Cash Provided From Financing Activities	<u>(371,770)</u>	<u>(92,224)</u>	<u>(900,556)</u>	<u>315,824</u>	<u>1,030,233</u>	20
Net Increase (Decrease) in Cash & Equivalents	189,600	88,826	(177,341)	206,322	(396,116)	21
Cash & Equivalents at Beginning of Year	129,836	41,010	218,351	12,029	408,145	22
Cash & Equivalents at End of Year	\$319,436	\$129,836	\$41,010	\$218,351	\$12,029	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,558,297	\$4,426,529	\$4,760,668	\$4,925,353	\$4,960,404
2 Access Lines	5,071	5,467	5,784	6,172	6,616
DOLLAR AMOUNTS					
3 Wages and Benefits	\$1,724,453	\$1,852,697	\$1,868,464	\$1,773,237	\$1,864,194
4 Depreciation and Amortization	971,771	966,760	895,191	819,216	782,346
5 Other Operations Expense	1,586,022	1,759,519	1,937,245	1,456,253	1,186,083
6 Total Operation Expenses	4,282,246	4,578,976	4,700,900	4,048,706	3,832,623
7 Income Taxes - Operating Taxes	(192,575)	(162,533)	(417,572)	194,093	227,146
8 Other Taxes - Operating Taxes	334,977	334,862	309,847	281,720	273,060
9 Capital Costs	133,649	(324,776)	167,493	400,834	627,575
10 Total	\$4,558,297	\$4,426,529	\$4,760,668	\$4,925,353	\$4,960,404
PERCENT OF REVENUES					
11 Wages and Benefits	37.8	41.9	39.2	36.0	37.6
12 Depreciation and Amortization	21.3	21.8	18.8	16.6	15.8
13 Other Operations Expense	34.8	39.7	40.7	29.6	23.9
14 Income Taxes - Operating Taxes	(4.2)	(3.7)	(8.8)	3.9	4.6
15 Other Taxes - Operating Taxes	7.3	7.6	6.5	5.7	5.5
16 Capital Costs	2.9	(7.3)	3.5	8.1	12.7
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	340.06	338.89	323.04	287.30	281.77
19 Depreciation and Amortization	191.63	176.84	154.77	132.73	118.25
20 Other Operations Expense	312.76	321.84	334.93	235.95	179.27
21 Income Taxes - Operating Taxes	(37.98)	(29.73)	(72.19)	31.45	34.33
22 Other Taxes - Operating Taxes	66.06	61.25	53.57	45.64	41.27
23 Capital Costs	26.36	(59.41)	28.96	64.94	94.86
24 Total	898.90	809.68	823.08	798.02	749.76

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$2,375,272	\$2,351,207	\$2,345,246	\$2,325,107	\$2,287,537	1
Central Office Assets	8,995,835	8,656,681	8,326,407	8,017,813	7,599,009	2
Information Origination/Termination	3,098,124	3,037,819	3,028,165	2,935,495	2,536,921	3
Cable And Wire Facilities	11,687,162	11,637,960	11,791,544	9,925,514	9,816,256	4
Amortizable Assets						5
Total Plant In Service	26,156,393	25,683,667	25,491,362	23,203,929	22,239,723	6
Property Held For Future Use						7
Plant Under Construction				1,658,316	1,014,563	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	26,156,393	25,683,667	25,491,362	24,862,245	23,254,286	13
Less Acc. Prov. For Depreciation & Amort.	19,875,474	18,903,703	18,189,773	17,415,001	16,595,785	14
Net Total Utility Plant	\$6,280,919	\$6,779,964	\$7,301,589	\$7,447,244	\$6,658,501	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.67	0.44	0.40	0.53	0.60	16
Total Capitalization	\$6,615,780	\$6,424,584	\$6,861,419	\$6,867,497	\$6,903,272	17
Percent Of Capitalization (Incl. S-T- Debt)						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	80.0%	77.0%	76.3%	72.2%	78.3%	20
Short-Term Debt	20.0%	23.0%	23.7%	27.8%	21.7%	21
Pretax Coverage of Interest Expense	-0.50	-6.88	-2.95	6.43	80.49	22
Com. Stock Dividends as a % of Earnings			97.8%		56.6%	23
Return on Common Equity	2.0%	-7.4%	2.2%	5.7%	12.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	218.8%	147.6%	202.7%	93.2%	50.0%	25
CWIP as a % of Plant						26

Current Assets	1,046,609	751,644	718,981	1,068,043	923,842
Current Liabilities	1,569,363	1,706,435	1,799,309	2,009,500	1,550,997
Total Capitalization	6,615,780	6,424,584	6,861,419	6,867,497	6,903,272
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,293,132	4,949,591	5,238,577	4,960,923	5,403,272
Short-Term Debt	1,322,648	1,474,993	1,622,842	1,906,574	1,500,000
Pretax Income	(30,097)	(468,871)	(226,274)	580,173	874,237
Interest Expense	60,350	68,147	76,741	90,239	10,861
Common Dividends Paid			112,000		360,000
Net Income (Excl. Preferred Stock Dividends)	102,128	(374,485)	114,557	295,841	636,230
Internal Cash	1,034,096	626,186	1,472,751	1,498,457	1,425,711
Cash Outflows for Construction	(472,726)	(424,204)	(726,475)	(1,607,959)	(2,853,360)
CWIP				1,658,316	1,014,563
Total Plant	26,156,393	25,683,667	25,491,362	24,862,245	23,254,286
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	25	26	26	25	25

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$4,589,319	\$2,481,264	\$2,098,684	\$3,003,040	\$3,964,560	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	2,456,100	2,440,153	2,399,431	3,039,119	884,190	2
Changes in Deferred Income Taxes	(217,990)	(89,121)	101,382	(103,808)	639,060	3
Changes in Working Capital	(1,027,986)	1,622,393	(251,338)	(1,004,595)	902,661	4
Capitalized AFDC - Equity	0					5
Other	(4,228,263)	(3,123,860)	(2,879,898)	(878,653)	(5,051,560)	6
Total Non-Cash Items	(3,018,139)	849,565	(630,423)	1,052,063	(2,625,649)	7
Net Cash Provided From Operating Activities	<u>1,571,180</u>	<u>3,330,829</u>	<u>1,468,261</u>	<u>4,055,103</u>	<u>1,338,911</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,571,177)	(3,330,829)	(1,468,581)	(4,055,103)	(1,338,911)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(1,571,177)</u>	<u>(3,330,829)</u>	<u>(1,468,581)</u>	<u>(4,055,103)</u>	<u>(1,338,911)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	20
Net Increase (Decrease) in Cash & Equivalents	0	0	(320)	0	0	21
Cash & Equivalents at Beginning of Year	900	900	1,220	1,220	1,220	22
Cash & Equivalents at End of Year	\$900	\$900	\$900	\$1,220	\$1,220	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$15,675,754	\$14,904,000	\$15,266,435	\$16,538,335	\$16,473,681
2 Access Lines	17,719	19,132	20,052	21,023	22,005
DOLLAR AMOUNTS					
3 Wages and Benefits	3,247,744	3,145,371	3,099,832	3,572,018	\$3,439,910
4 Depreciation and Amortization	2,456,100	2,440,153	2,399,431	3,039,119	2,638,257
5 Other Operations Expense	7,534,930	8,357,235	9,120,129	8,479,966	8,628,353
6 Total Operation Expenses	13,238,774	13,942,759	14,619,392	15,091,103	14,706,520
7 Income Taxes - Operating Taxes	434,637	67,028	(352,065)	(80,582)	(5,320)
8 Other Taxes - Operating Taxes	871,045	815,541	753,362	817,518	855,462
9 Capital Costs	1,131,298	78,672	245,746	710,296	917,019
10 Total	\$15,675,754	\$14,904,000	\$15,266,435	\$16,538,335	\$16,473,681
PERCENT OF REVENUES					
11 Wages and Benefits	20.7	21.1	20.3	21.6	20.9
12 Depreciation and Amortization	15.7	16.4	15.7	18.4	16.0
13 Other Operations Expense	48.1	56.1	59.7	51.3	52.4
14 Income Taxes - Operating Taxes	2.8	0.4	(2.3)	(0.5)	(0.0)
15 Other Taxes - Operating Taxes	5.6	5.5	4.9	4.9	5.2
16 Capital Costs	7.2	0.5	1.6	4.3	5.6
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	183.29	164.40	154.59	169.91	156.32
19 Depreciation and Amortization	138.61	127.54	119.66	144.56	119.89
20 Other Operations Expense	425.25	436.82	454.82	403.37	392.11
21 Income Taxes - Operating Taxes	24.53	3.50	(17.56)	(3.83)	(0.24)
22 Other Taxes - Operating Taxes	49.16	42.63	37.57	38.89	38.88
23 Capital Costs	63.85	4.11	12.26	33.79	41.67
24 Total	884.69	779.01	761.34	786.68	748.63

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$8,344,751	\$8,064,447	\$8,551,666	\$8,439,632	\$9,055,799	1
Central Office Assets	29,996,377	29,587,172	29,965,465	29,612,327	29,068,076	2
Information Origination/Termination			1,465	1,465	1,465	3
Cable And Wire Facilities	34,530,949	34,056,544	33,991,867	33,746,911	33,552,911	4
Amortizable Assets						5
Total Plant In Service	72,872,077	71,708,163	72,510,463	71,800,335	71,678,251	6
Property Held For Future Use				10,664	10,665	7
Plant Under Construction	3,343,589	3,039,211	1,324,921	712,675	300,352	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	359,964	359,964	359,964	349,300	349,300	11
Goodwill						12
Total Telecommunications Plant	76,575,630	75,107,338	74,195,348	72,872,974	72,338,568	13
Less Acc. Prov. For Depreciation & Amort.	56,553,231	54,403,748	53,819,463	51,654,205	51,440,686	14
Net Total Utility Plant	\$20,022,399	\$20,703,590	\$20,375,885	\$21,218,769	\$20,897,882	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.93	0.78	0.97	0.92	0.98	16
Total Capitalization	\$17,448,080	\$16,827,262	\$18,351,709	\$19,384,288	\$19,192,590	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	963.18	122.96	64.34	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	16.6%	3.7%	6.4%	11.7%	9.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	100.0%	100.0%	100.0%	215.2%	25
CWIP as a % of Plant	4.4%	4.0%	1.8%	1.0%	0.4%	26

Current Assets	4,947,370	4,270,155	3,994,314	3,969,440	6,562,289
Current Liabilities	5,305,821	5,492,892	4,138,486	4,323,044	6,702,630
Total Capitalization	17,448,080	16,827,262	18,351,709	19,384,288	19,192,590
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	17,448,080	16,827,262	18,351,709	19,384,288	19,192,590
Short-Term Debt					
Pretax Income	3,453,072	1,228,445	1,077,802	2,160,458	2,455,361
Interest Expense			1,119	17,570	38,161
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	2,848,138	646,860	1,203,321	2,264,665	1,778,470
Internal Cash	1,571,180	3,330,829	1,468,261	4,055,103	2,881,279
Cash Outflows for Construction	(1,571,177)	(3,330,832)	(1,468,581)	(4,055,103)	(1,338,911)
CWIP	3,343,589	3,039,211	1,324,921	712,675	300,352
Total Plant	76,575,630	75,107,338	74,195,348	72,872,974	72,338,568
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	49	49	49	51	54

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	(\$423,348)	(\$369,304)	(\$435,256)	\$397,012	(\$707,512)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	805,702	795,482	791,323	779,230	632,950	2
Changes in Deferred Income Taxes	(134,070)	(120,088)	16,176	14,733	(212,641)	3
Changes in Working Capital	(90,091)	237,261	(34,849)	(160,674)	143,661	4
Capitalized AFDC - Equity	0					5
Other	(44,925)	(19,293)	1,673	(65,950)	16,137	6
Total Non-Cash Items	536,616	893,362	774,323	567,339	580,107	7
Net Cash Provided From Operating Activities	<u>113,268</u>	<u>524,058</u>	<u>339,067</u>	<u>964,351</u>	<u>(127,405)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(166,433)	(262,610)	(265,045)	(543,402)	(43,025)	9
Purchase of Other Investments	0					10
Sale of Other Investments	(12,162)	5,754	(9,095)	(32,438)	554,343	11
Other						12
Net Cash Provided From Investing Activities	<u>(178,595)</u>	<u>(256,856)</u>	<u>(274,140)</u>	<u>(575,840)</u>	<u>511,318</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(2,360,000)		18
Other Financing				(855)	(3,656)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,360,855)</u>	<u>(3,656)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(65,327)	267,202	64,927	(1,972,344)	380,257	21
Cash & Equivalents at Beginning of Year	1,362,651	1,095,449	1,030,522	3,002,866	2,622,609	22
Cash & Equivalents at End of Year	\$1,297,324	\$1,362,651	\$1,095,449	\$1,030,522	\$3,002,866	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$2,333,186	\$2,532,464	\$2,712,576	\$2,841,738	\$2,855,049
2 Access Lines	2,163	2,389	2,717	3,016	3,304
DOLLAR AMOUNTS					
3 Wages and Benefits	905,628	1,033,131	1,093,934	1,014,278	\$1,020,197
4 Depreciation and Amortization	805,702	795,482	791,323	779,230	633,673
5 Other Operations Expense	1,145,873	1,128,707	1,333,324	1,151,190	1,287,096
6 Total Operation Expenses	2,857,203	2,957,320	3,218,581	2,944,698	2,940,966
7 Income Taxes - Operating Taxes	(227,292)	(198,566)	(234,918)	(92,916)	(87,470)
8 Other Taxes - Operating Taxes	125,655	148,117	165,637	164,142	163,901
9 Capital Costs	(422,380)	(374,407)	(436,724)	(174,186)	(162,348)
10 Total	\$2,333,186	\$2,532,464	\$2,712,576	\$2,841,738	\$2,855,049
PERCENT OF REVENUES					
11 Wages and Benefits	38.8	40.8	40.3	35.7	35.7
12 Depreciation and Amortization	34.5	31.4	29.2	27.4	22.2
13 Other Operations Expense	49.1	44.6	49.2	40.5	45.1
14 Income Taxes - Operating Taxes	(9.7)	(7.8)	(8.7)	(3.3)	(3.1)
15 Other Taxes - Operating Taxes	5.4	5.8	6.1	5.8	5.7
16 Capital Costs	(18.1)	(14.8)	(16.1)	(6.1)	(5.7)
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	418.69	432.45	402.63	336.30	308.78
19 Depreciation and Amortization	372.49	332.98	291.25	258.37	191.79
20 Other Operations Expense	529.76	472.46	490.73	381.69	389.56
21 Income Taxes - Operating Taxes	(105.08)	(83.12)	(86.46)	(30.81)	(26.47)
22 Other Taxes - Operating Taxes	58.09	62.00	60.96	54.42	49.61
23 Capital Costs	(195.28)	(156.72)	(160.74)	(57.75)	(49.14)
24 Total	1,078.68	1,060.05	998.37	942.22	864.12

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$1,274,541	\$1,279,419	\$1,276,788	\$1,246,792	\$1,228,629	1
Central Office Assets	7,042,283	7,075,693	7,091,985	6,890,640	6,766,142	2
Information Origination/Termination	30,557	30,557	30,557	30,557	30,557	3
Cable And Wire Facilities	10,011,239	9,945,001	9,835,491	9,752,205	9,642,951	4
Amortizable Assets	133,130	158,514	125,124	60,730	91,248	5
Total Plant In Service	18,491,750	18,489,184	18,359,945	17,980,924	17,759,527	6
Property Held For Future Use						7
Plant Under Construction	5,000	43,740	42,816	280,533	118,631	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant			5,449	5,449	5,449	11
Goodwill						12
Total Telecommunications Plant	18,496,750	18,532,924	18,408,210	18,266,906	17,883,607	13
Less Acc. Prov. For Depreciation & Amort.	13,530,404	12,939,472	12,276,132	11,617,643	11,030,958	14
Net Total Utility Plant	\$4,966,346	\$5,593,452	\$6,132,078	\$6,649,263	\$6,852,649	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.08	3.19	3.54	3.23	6.61	16
Total Capitalization	\$4,775,414	\$5,206,413	\$5,566,142	\$6,002,298	\$7,890,309	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	6706.22	-7556.78	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	594.4%	0.0%	23
Return on Common Equity	-8.5%	-6.9%	-7.5%	5.7%	-8.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	68.1%	199.6%	127.9%	177.5%	-296.1%	25
CWIP as a % of Plant	0.0%	0.2%	0.2%	1.5%	0.7%	26

Current Assets	1,594,869	1,722,308	1,600,428	1,528,731	3,398,824
Current Liabilities	390,749	539,341	451,846	472,871	514,543
Total Capitalization	4,775,414	5,206,413	5,566,142	6,002,298	7,890,309
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,775,414	5,206,413	5,566,142	6,002,298	7,889,454
Short-Term Debt					855
Pretax Income	(651,173)	(568,057)	(669,383)	611,339	(1,088,177)
Interest Expense				91	144
Common Dividends Paid				2,360,000	
Net Income (Excl. Preferred Stock Dividends)	(423,348)	(369,304)	(435,256)	397,012	(707,512)
Internal Cash	113,268	524,058	339,067	964,351	(127,405)
Cash Outflows for Construction	(166,433)	(262,610)	(265,045)	(543,402)	(43,025)
CWIP	5,000	43,740	42,816	280,533	118,631
Total Plant	18,496,750	18,532,924	18,408,210	18,266,906	17,883,607
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	3	3

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$948,367	\$34,051	\$185,006	\$461,745	\$516,232	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	1,149,196	1,134,148	1,123,829	1,119,181	\$1,111,070	2
Changes in Deferred Income Taxes	(99,584)	(71,896)	24,369	128,293	58,417	3
Changes in Working Capital	1,187,536	(278,650)	341,295	232,003	(839,238)	4
Capitalized AFDC - Equity						5
Other	(1,280,229)	(399,438)	(99,994)	(334,413)	(479,827)	6
Total Non-Cash Items	956,919	384,164	1,389,499	1,145,064	(149,578)	7
Net Cash Provided From Operating Activities	<u>1,905,286</u>	<u>418,215</u>	<u>1,574,505</u>	<u>1,606,809</u>	<u>366,654</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(1,285,495)	(646,789)	(1,040,437)	(1,593,304)	(664,193)	9
Purchase of Other Investments	(3,964,491)	(2,644,197)	(1,579,095)	(2,004,834)	(1,582,737)	10
Sale of Other Investments	4,057,341	3,463,787	1,665,537	2,669,344	2,444,118	11
Other	98,933	320,691	208,516	(29,413)	178,713	12
Net Cash Provided From Investing Activities	<u>(1,093,712)</u>	<u>493,492</u>	<u>(745,479)</u>	<u>(958,207)</u>	<u>375,901</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt	(431,869)	(429,618)	(503,592)	(523,834)	(565,444)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(59,370)	(59,504)	(59,652)	(54,146)	(53,818)	18
Other Financing	(17,098)	(20,216)	(77,774)	(4,262)	(14,319)	19
Net Cash Provided From Financing Activities	<u>(508,337)</u>	<u>(509,338)</u>	<u>(641,018)</u>	<u>(582,242)</u>	<u>(633,581)</u>	20
Net Increase (Decrease) in Cash & Equivalents	303,237	402,369	188,008	66,360	108,974	21
Cash & Equivalents at Beginning of Year	1,962,665	1,560,297	1,372,288	1,305,928	1,196,954	22
Cash & Equivalents at End of Year	\$2,265,902	\$1,962,665	\$1,560,297	\$1,372,288	\$1,305,928	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$4,854,574	\$4,799,500	\$4,988,435	\$5,456,724	\$5,386,343
2 Access Lines	3,334	3535	3,758	4,063	4,364

DOLLAR AMOUNTS

3 Wages and Benefits	\$1,709,448	\$1,453,779	\$1,468,892	\$1,599,152	\$1,636,542
4 Depreciation and Amortization	1,149,196	1,134,148	1,121,429	1,116,781	1,108,670
5 Other Operations Expense	1,929,040	2,272,154	1,938,457	2,130,752	2,089,037
6 Total Operation Expenses	4,787,684	4,860,081	4,528,778	4,846,685	4,834,249
7 Income Taxes - Operating Taxes	(66,902)	(101,832)	48,803	84,522	44,172
8 Other Taxes - Operating Taxes	273,279	238,771	251,187	283,406	287,643
9 Capital Costs	(139,487)	(197,521)	159,667	242,111	220,279
10 Total	\$4,854,574	\$4,799,500	\$4,988,435	\$5,456,724	\$5,386,343

PERCENT OF REVENUES

11 Wages and Benefits	35.2	30.3	29.4	29.3	30.4
12 Depreciation and Amortization	23.7	23.6	22.5	20.5	20.6
13 Other Operations Expense	39.7	47.3	38.9	39.0	38.8
14 Income Taxes - Operating Taxes	(1.4)	(2.1)	1.0	1.5	0.8
15 Other Taxes - Operating Taxes	5.6	5.0	5.0	5.2	5.3
16 Capital Costs	(2.9)	(4.1)	3.2	4.4	4.1
17 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER ACCESS LINE

18 Wages and Benefits	512.73	411.25	390.87	393.59	375.01
19 Depreciation and Amortization	344.69	320.83	298.41	274.87	254.05
20 Other Operations Expense	578.60	642.76	515.82	524.43	478.70
21 Income Taxes - Operating Taxes	(20.07)	(28.81)	12.99	20.80	10.12
22 Other Taxes - Operating Taxes	81.97	67.54	66.84	69.75	65.91
23 Capital Costs	(41.84)	(55.88)	42.49	59.59	50.48
24 Total	1,456.08	1,357.71	1,327.42	1,343.03	1,234.27

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
<u>Plant In Service</u>						
General Support Assets	\$2,994,900	\$2,748,855	\$2,640,630	\$2,517,663	\$2,446,370	1
Central Office Assets	6,469,141	7,138,912	8,405,440	7,844,579	9,569,350	2
Information Origination/Termination	160,126	158,538	161,076	157,124	144,186	3
Cable And Wire Facilities	14,065,608	13,940,954	13,682,129	13,568,330	13,313,748	4
Amortizable Assets						5
Total Plant In Service	23,689,775	23,987,259	24,889,275	24,087,696	25,473,654	6
Property Held For Future Use						7
Plant Under Construction	229,255	283,646	388,560	102,091	323,583	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	23,919,030	24,270,905	25,277,835	24,189,787	25,797,237	13
Less Acc. Prov. For Depreciation & Amort.	15,301,240	15,068,377	15,504,841	14,478,120	15,836,462	14
Net Total Utility Plant	\$8,617,790	\$9,202,528	\$9,772,994	\$9,711,667	\$9,960,775	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.48	1.88	1.64	1.44	1.32	16
Total Capitalization	\$15,598,894	\$15,222,393	\$15,123,950	\$15,291,639	\$15,347,300	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.6%	3.3%	5.3%	7.8%	10.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	94.7%	92.2%	91.1%	88.1%	85.4%	20
Short-Term Debt	4.6%	4.5%	3.6%	4.0%	4.2%	21
Pretax Coverage of Interest Expense	34.69	2.46	4.97	6.95	5.99	22
Com. Stock Dividends as a % of Earnings	6.3%	174.8%	32.2%	11.7%	10.4%	23
Return on Common Equity	6.6%	0.2%	1.4%	3.5%	4.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	148.2%	64.7%	151.3%	100.8%	55.2%	25
CWIP as a % of Plant	1.0%	1.2%	1.5%	0.4%	1.3%	26

Current Assets	8,472,290	6,001,440	5,897,529	6,505,316	4,774,083
Current Liabilities	5,736,521	3,194,803	3,606,896	4,527,105	3,617,677
Total Capitalization	15,598,894	15,222,393	15,123,950	15,291,639	15,347,300
Long-Term Debt	99,741	498,721	797,956	1,196,936	1,595,916
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	14,779,474	14,036,570	13,777,546	13,478,272	13,106,689
Short-Term Debt	719,679	687,102	548,448	616,431	644,695
Pretax Income	1,069,256	91,594	359,246	684,775	773,158
Interest Expense	30,823	37,231	72,290	98,595	128,986
Common Dividends Paid	59,370	59,504	59,651	54,146	53,818
Net Income (Excl. Preferred Stock Dividends)	948,367	34,051	185,006	461,745	516,232
Internal Cash	1,905,286	418,215	1,574,505	1,606,809	366,654
Cash Outflows for Construction	(1,285,495)	(646,789)	(1,040,437)	(1,593,304)	(664,193)
CWIP	229,255	283,646	388,560	102,091	323,583
Total Plant	23,919,030	24,270,905	25,277,835	24,189,786	25,797,237
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	28	24	24	24	21

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$19,264	(\$25,178)	\$38,127	\$42,392	(\$57,159)	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	405,636	343,539	351,814	404,279	380,864	2
Changes in Deferred Income Taxes	(44,315)	(40,416)	23,182	30,007	(32,621)	3
Changes in Working Capital	(126,227)	81,732	(58,458)	5,391	98,758	4
Capitalized AFDC - Equity	0					5
Other	1,324	(19,833)	(38,245)	14,928	(9,756)	6
Total Non-Cash Items	236,418	365,022	278,293	454,605	437,245	7
Net Cash Provided From Operating Activities	<u>255,682</u>	<u>339,844</u>	<u>316,420</u>	<u>496,997</u>	<u>380,086</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	(189,246)	(134,223)	(178,127)	(246,281)	(159,937)	9
Purchase of Other Investments						10
Sale of Other Investments	(4,358)	(2,702)	6,498	(4,382)	78,184	11
Other						12
Net Cash Provided From Investing Activities	<u>(193,604)</u>	<u>(136,925)</u>	<u>(171,629)</u>	<u>(250,663)</u>	<u>(81,753)</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing					(979)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(979)</u>	20
Net Increase (Decrease) in Cash & Equivalents	62,078	202,919	144,791	246,334	297,354	21
Cash & Equivalents at Beginning of Year	2,412,274	2,209,355	2,064,564	1,818,230	1,520,876	22
Cash & Equivalents at End of Year	\$2,474,352	\$2,412,274	\$2,209,355	\$2,064,564	\$1,818,230	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$1,721,030	\$1,572,435	\$1,705,558	\$1,716,943	\$1,704,708
2 Access Lines	1,476	1,610	1,717	1,803	1,939
DOLLAR AMOUNTS					
3 Wages and Benefits	\$543,816	\$595,615	\$601,614	\$577,240	565,683
4 Depreciation and Amortization	405,636	343,539	351,814	404,278	381,182
5 Other Operations Expense	658,698	599,320	623,326	701,246	639,712
6 Total Operation Expenses	1,608,150	1,538,474	1,576,754	1,682,764	1,586,577
7 Income Taxes - Operating Taxes	9,671	(14,187)	17,963	(17,412)	12,997
8 Other Taxes - Operating Taxes	85,175	77,348	77,874	85,469	81,438
9 Capital Costs	18,034	(29,200)	32,967	(33,878)	23,696
10 Total	\$1,721,030	\$1,572,435	\$1,705,558	\$1,716,943	\$1,704,708
PERCENT OF REVENUES					
11 Wages and Benefits	31.6	37.9	35.3	33.6	33.2
12 Depreciation and Amortization	23.6	21.8	20.6	23.5	22.4
13 Other Operations Expense	38.3	38.1	36.5	40.8	37.5
14 Income Taxes - Operating Taxes	0.6	(0.9)	1.1	(1.0)	0.8
15 Other Taxes - Operating Taxes	4.9	4.9	4.6	5.0	4.8
16 Capital Costs	1.0	(1.9)	1.9	(2.0)	1.4
17 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
18 Wages and Benefits	368.44	369.95	350.39	320.16	291.74
19 Depreciation and Amortization	274.82	213.38	204.90	224.23	196.59
20 Other Operations Expense	446.27	372.25	363.03	388.93	329.92
21 Income Taxes - Operating Taxes	6.55	(8.81)	10.46	(9.66)	6.70
22 Other Taxes - Operating Taxes	57.71	48.04	45.35	47.40	42.00
23 Capital Costs	12.22	(18.14)	19.20	(18.79)	12.22
24 Total	1,166.01	976.67	993.34	952.27	879.17

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$668,612	\$867,820	\$855,235	\$900,247	\$818,054	1
Central Office Assets	3,227,903	3,219,495	3,275,043	3,336,012	3,119,519	2
Information Origination/Termination	56,721	54,472	54,472	54,472	54,472	3
Cable And Wire Facilities	4,305,376	4,285,912	4,271,976	4,230,643	4,191,831	4
Amortizable Assets	71,091	82,790	64,518	31,877	43,078	5
Total Plant In Service	8,329,703	8,510,489	8,521,244	8,553,251	8,226,954	6
Property Held For Future Use						7
Plant Under Construction	70	38,045	6,190	34,597	94,886	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	252,884					11
Goodwill	1,709,839	1,709,839	1,709,839	1,709,839	1,709,839	12
Total Telecommunications Plant	10,292,496	10,258,373	10,237,273	10,297,687	10,031,679	13
Less Acc. Prov. For Depreciation & Amort.	6,929,044	6,682,888	6,455,172	6,335,403	5,915,780	14
Net Total Utility Plant	\$3,363,452	\$3,575,485	\$3,782,101	\$3,962,284	\$4,115,899	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	12.00	8.39	10.54	6.93	7.39	16
Total Capitalization	\$5,139,173	\$5,115,092	\$5,116,254	\$5,082,540	\$5,044,837	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	#DIV/0!	#DIV/0!	#DIV/0!	16363.25	-3811.43	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	0.4%	-0.5%	0.7%	0.8%	-1.1%	24
Internal Cash Generated as a % of Cash Outflows for Construction	135.1%	253.2%	177.6%	201.8%	237.6%	25
CWIP as a % of Plant	0.0%	0.4%	0.1%	0.3%	0.9%	26

Current Assets	2,691,797	2,586,999	2,420,585	2,304,563	2,022,357
Current Liabilities	224,272	308,314	229,642	332,500	273,759
Total Capitalization	5,139,173	5,115,092	5,116,254	5,082,540	5,044,837
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,139,173	5,115,092	5,116,254	5,082,540	5,044,837
Short-Term Debt					
Pretax Income	29,875	(38,617)	58,869	65,453	(87,663)
Interest Expense				4	23
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	19,264	(25,178)	38,127	42,392	(57,159)
Internal Cash	255,682	339,844	316,420	496,997	380,086
Cash Outflows for Construction	(189,246)	(134,223)	(178,127)	(246,281)	(159,937)
CWIP	70	38,045	6,190	34,597	94,886
Total Plant	10,292,496	10,258,373	10,237,273	10,297,687	10,031,679
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	3	3	3

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

	2014	2013	2012	2011	2010	
Cash Flows from Operating Activities						
Net Income	\$48,836	(\$120,606)	(\$1,067,598)	(\$2,732,307)	\$3,054,916	1
Non-Cash Items Included in Net Income						
Depreciation, Depletion & Amortization	3,187,715	3,199,292	3,283,309	3,809,714	4,085,873	2
Changes in Deferred Income Taxes			(1,042,192)	(842,061)	(1,659,095)	3
Changes in Working Capital	75,309	1,830,162	9,007,281	(241,565)	2,951,025	4
Capitalized AFDC - Equity						5
Other	2,897,231	60,444	(5,520,553)	(3,819,815)	(9,166,355)	6
Total Non-Cash Items	6,160,255	5,089,898	5,727,845	(1,093,727)	(3,788,552)	7
Net Cash Provided From Operating Activities	<u>6,209,091</u>	<u>4,969,292</u>	<u>4,660,247</u>	<u>(3,826,034)</u>	<u>(733,636)</u>	8
Cash Flows from Investing Activities						
Cash Flows from Construction	320,245	(332,292)	(1,810,838)	(2,117,896)	(1,079,907)	9
Purchase of Other Investments	(6,067,908)	(4,448,044)	(7,733,253)	(14,604,426)		10
Sale of Other Investments			1,976,579	(11,588)		11
Other			10,833,778	13,600,000	12,554,529	12
Net Cash Provided From Investing Activities	<u>(5,747,663)</u>	<u>(4,780,336)</u>	<u>3,266,266</u>	<u>(3,133,910)</u>	<u>11,474,622</u>	13
Cash Flows from Financing Activities						
Net Proceeds (Payments)						
Long-Term Debt			(1,138,974)	(1,518,974)	(1,518,632)	14
Common Stock			(107,000)	(321,000)	50,106	15
Preferred Stock						16
Short-Term Debt			(5,600,000)	5,600,000		17
Dividends Paid			(4,715,000)	(5,794,000)	(5,223,512)	18
Other Financing						19
Net Cash Provided From Financing Activities			<u>(11,560,974)</u>	<u>(2,033,974)</u>	<u>(6,692,038)</u>	20
Net Increase (Decrease) in Cash & Equivalents	461,428	188,956	(3,634,461)	(8,993,918)	4,048,948	21
Cash & Equivalents at Beginning of Year	893,956	705,000	4,339,461	13,333,379	9,284,431	22
Cash & Equivalents at End of Year	\$1,355,384	\$893,956	\$705,000	\$4,339,461	\$13,333,379	23

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

	2014	2013	2012	2011	2010
1 Revenues	\$12,539,565	\$13,671,651	\$13,547,386	\$14,108,792	\$15,626,449
2 Access Lines	10,575	11,581	12,654	14,041	15,423
DOLLAR AMOUNTS					
3 Wages and Benefits	\$2,604,437	\$2,273,272	\$7,097,293	\$7,176,508	6,522,173
4 Depreciation and Amortization	3,187,715	3,199,292	3,283,309	3,769,571	4,067,126
5 Other Operations Expense	5,384,457	7,154,725	6,361,324	6,638,733	6,908,127
6 Total Operation Expenses	11,176,608	12,627,289	16,741,926	17,584,812	17,497,426
8 Income Taxes - Operating Taxes			926,993	833,430	3,117,273
9 Other Taxes - Operating Taxes	1,169,275	1,169,540	1,191,372	1,034,840	1,088,358
10 Capital Costs	193,682	(125,178)	(5,312,905)	(5,344,290)	(6,076,608)
11 Total	\$12,539,565	\$13,671,651	\$13,547,386	\$14,108,792	\$15,626,449
PERCENT OF REVENUES					
12 Wages and Benefits	20.8	16.6	52.4	50.9	41.7
13 Depreciation and Amortization	25.4	23.4	24.2	26.7	26.0
14 Other Operations Expense	42.9	52.3	47.0	47.1	44.2
16 Income Taxes - Operating Taxes			6.8	5.9	19.9
17 Other Taxes - Operating Taxes	9.3	8.6	8.8	7.3	7.0
18 Capital Costs	1.5	(0.9)	(39.2)	(37.9)	(38.9)
19 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER ACCESS LINE					
20 Wages and Benefits	246.28	196.29	560.87	511.11	422.89
21 Depreciation and Amortization	301.44	276.25	259.47	268.47	263.71
22 Other Operations Expense	509.17	617.80	502.71	472.81	447.91
24 Income Taxes - Operating Taxes			73.26	59.36	202.12
25 Other Taxes - Operating Taxes	110.57	100.99	94.15	73.70	70.57
26 Capital Costs	18.32	(10.81)	(419.86)	(380.62)	(394.00)
27 Total	1,185.77	1,180.52	1,070.60	1,004.83	1,013.19

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

	2014	2013	2012	2011	2010	
TELECOMMUNICATIONS PLANT						
Plant In Service						
General Support Assets	\$10,185,749	\$10,156,544	\$10,099,921	\$9,883,787	\$9,676,768	1
Central Office Assets	31,187,860	31,167,403	31,856,345	31,125,031	30,124,610	2
Information Origination/Termination	1,846,589	1,844,329	1,843,667	1,838,672	1,832,947	3
Cable And Wire Facilities	31,202,560	31,046,270	30,855,341	30,285,438	29,644,607	4
Amortizable Assets						5
Total Plant In Service	74,422,758	74,214,546	74,655,273	73,132,928	71,278,932	6
Property Held For Future Use						7
Plant Under Construction	125,943	13,910	33,576	151,091	82,994	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
Total Telecommunications Plant	74,548,701	74,228,456	74,688,849	73,284,019	71,361,926	13
Less Acc. Prov. For Depreciation & Amort.	59,211,875	56,024,158	53,578,072	50,576,212	46,882,002	14
Net Total Utility Plant	\$15,336,826	\$18,204,298	\$21,110,777	\$22,707,807	\$24,479,924	15
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.22	1.11	1.16	1.26	1.24	16
Total Capitalization	\$17,594,931	\$17,750,230	\$21,863,592	\$32,941,727	\$38,945,381	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt					2.9%	18
Preferred Stock				1.5%	1.3%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	78.0%	91.9%	20
Short-Term Debt				20.5%	3.9%	21
Pretax Coverage of Interest Expense	437.78	-267.61	0.60	3.49	62.79	22
Com. Stock Dividends as a % of Earnings				-1270.0%	171.6%	23
Return on Common Equity	0.3%	-0.6%	-4.5%	-1.5%	8.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-1938.9%	1495.5%	257.4%	-71.9%	-66.2%	25
CWIP as a % of Plant	0.2%	0.0%	0.0%	0.2%	0.1%	26

Current Assets	61,405,631	54,433,750	54,766,037	54,773,949	47,377,066
Current Liabilities	50,313,069	48,920,989	47,356,454	43,476,514	38,165,194
Total Capitalization	17,594,931	17,750,230	21,863,592	32,941,727	38,945,381
Long-Term Debt					1,138,974
Preferred Stock				500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	17,594,931	17,750,230	21,863,592	25,702,753	35,787,774
Short-Term Debt				6,738,974	1,518,633
Pretax Income	48,948	(120,158)	212,438	566,624	6,272,086
Interest Expense	112	449	353,043	162,513	99,897
Common Dividends Paid				5,769,890	5,198,512
Net Income (Excl. Preferred Stock Dividends)	48,836	(120,607)	(1,067,598)	(454,319)	3,029,916
Internal Cash	6,209,091	4,969,291	4,660,247	(1,523,046)	(714,887)
Cash Outflows for Construction	320,245	(332,292)	(1,810,838)	(2,117,896)	(1,079,907)
CWIP	125,943	13,910	33,576	151,091	82,994
Total Plant	74,548,701	74,228,456	74,688,849	73,284,019	71,361,926
Shares Outstanding				6,218,800	5,975,000
Number of Employees	118	113	160	139	111