

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$1,589,252)	(\$1,410,130)	(\$472,860)	(\$705,132)	(\$730,665)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,366,019	1,368,157	1,382,532	1,495,447	1,579,631	2
Changes in Deferred Income Taxes	(373,433)	95,139	139,996	(181,360)	(264,312)	3
Changes in Working Capital	(190,921)	5,696	(156,947)	(301,407)	64,514	4
Capitalized AFDC - Equity	(39)	(13)	(15)	(19)	(173)	5
Other	1,339,989	1,459,585	202,478	394,377	555,465	6
Total Non-Cash Items	2,141,615	2,928,564	1,568,043	1,407,038	1,935,125	7
Net Cash Provided From Operating Activities	<u>552,364</u>	<u>1,518,434</u>	<u>1,095,183</u>	<u>701,906</u>	<u>1,204,460</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,189,477)	(1,266,733)	(1,359,375)	(1,428,812)	(1,411,570)	9
Purchase of Other Investments	193,309	44,144	(26,941)	(28,183)	(103,546)	10
Sale of Other Investments	38,523	71,660	56,778	(52,135)	77,496	11
Other	(2,361)	(7,096)	(74,758)	(9,871)	10,240	12
Net Cash Provided From Investing Activities	<u>(960,007)</u>	<u>(1,158,024)</u>	<u>(1,404,298)</u>	<u>(1,519,002)</u>	<u>(1,427,381)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(1,004,379)	(402,646)	(4,038)	(255,665)	(8,669)	14
Common Stock	(4,549)	(929)	(531)	(600)	(1,392)	15
Preferred Stock	(0)	(1)	(610)		(13)	16
Short-Term Debt	1,824,299	318,052	451,783	785,603	(1,563,543)	17
Dividends Paid	(408,585)	(261,751)	(145,431)	(167,809)	(214,682)	18
Other Financing	(2,515)	(7,583)	7,927	465,248	2,011,374	19
			(972)	(466,443)	(15,436)	
Net Cash Provided From Financing Activities	<u>404,271</u>	<u>(354,858)</u>	<u>308,128</u>	<u>360,333</u>	<u>207,639</u>	20
Net Increase (Decrease) in Cash & Equivalents	(3,372)	5,553	(986)	(456,763)	(15,282)	21
Cash & Equivalents at Beginning of Year	65,465	59,912	61,157	517,920	533,202	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$62,093</b>	<b>\$65,465</b>	<b>\$60,171</b>	<b>\$61,157</b>	<b>\$517,920</b>	<b>23</b>

Table 5 T

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,691,859	\$5,688,834	\$5,932,296	\$6,250,093	\$6,298,242
2 Access Lines	4,770,476	5,358,510	6,025,573	6,801,941	7,698,365
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$4,222,441	\$4,095,046	\$3,058,238	\$3,037,533	\$3,501,177
4 Depreciation and Amortization	1,365,793	1,371,267	1,386,223	1,498,255	1,580,841
5 Other Operations Expense	2,351,414	2,322,348	2,378,785	2,221,770	2,001,026
6 Total Operation Expenses	7,938,089	7,788,662	6,823,246	6,757,558	7,083,044
7 Income Taxes - Operating Taxes	(1,055,669)	(964,613)	(629,919)	(471,288)	(453,677)
8 Other Taxes - Operating Taxes	502,662	465,409	501,179	517,954	531,019
9 Capital Costs	(1,693,224)	(1,600,624)	(762,209)	(554,130)	(862,145)
10 Total	\$5,691,859	\$5,688,834	\$5,932,296	\$6,250,093	\$6,298,242
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	74.2	72.0	51.6	48.6	55.6
12 Depreciation and Amortization	24.0	24.1	23.4	24.0	25.1
13 Other Operations Expense	41.3	40.8	40.1	35.5	31.8
14 Income Taxes - Operating Taxes	(18.5)	(17.0)	(10.6)	(7.5)	(7.2)
15 Other Taxes - Operating Taxes	8.8	8.2	8.4	8.3	8.4
16 Capital Costs	(29.7)	(28.1)	(12.8)	(8.9)	(13.7)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	885.12	764.21	507.54	446.57	454.79
19 Depreciation and Amortization	286.30	255.90	230.06	220.27	205.35
20 Other Operations Expense	492.91	433.39	394.78	326.64	259.93
21 Income Taxes - Operating Taxes	(221.29)	(180.02)	(104.54)	(69.29)	(58.93)
22 Other Taxes - Operating Taxes	105.37	86.85	83.18	76.15	68.98
23 Capital Costs	(354.94)	(298.71)	(126.50)	(81.47)	(111.99)
24 Total	1,193.47	1,061.64	984.52	918.87	818.13

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,649,783.59	\$3,699,623.42	\$3,793,073.72	\$3,826,633.10	\$3,792,754.74	1
Central Office Assets	10,720,065	12,759,857	13,075,934	12,965,298	13,124,278	2
Information Origination/Termination	230,931	299,013	366,947	418,072	482,001	3
Cable And Wire Facilities	17,578,962	15,912,667	17,052,905	16,272,054	15,441,296	4
Amortizable Assets	924,275	301,178	329,084	339,161	404,297	5
<b>Total Plant In Service</b>	<b>33,104,017</b>	<b>32,972,339</b>	<b>34,617,944</b>	<b>33,821,218</b>	<b>33,244,627</b>	<b>6</b>
Property Held For Future Use	11	11	11	1,863	107	7
Plant Under Construction	334,620	303,328	242,256	212,527	282,820	8
Tel. Acquisition	142,620	142,620	142,895	142,620	142,620	9
Other Plant	(0)			275	275	10
Nonoperating Plant	10,039	16,007	13,806	18,080	20,296	11
Goodwill	4,493	4,493	1,710	1,710	1,710	12
<b>Total Telecommunications Plant</b>	<b>33,595,799</b>	<b>33,438,798</b>	<b>35,018,621</b>	<b>34,198,295</b>	<b>33,692,455</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	22,100,150	21,903,048	23,483,253	22,712,098	22,113,415	14
<b>Net Total Utility Plant</b>	<b>\$11,495,649</b>	<b>\$11,535,750</b>	<b>\$11,535,368</b>	<b>\$11,486,197</b>	<b>\$11,579,040</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.21	0.26	0.28	0.39	0.47	16
Total Capitalization (\$000)	\$5,194,071	\$6,315,000	\$8,215,473	\$8,241,223	\$8,600,176	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	24.4%	35.9%	27.7%	32.5%	31.3%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	-29.4%	6.5%	27.1%	32.8%	41.7%	20
Short-Term Debt	105.0%	57.5%	45.2%	34.7%	27.0%	21
Pretax Coverage of Interest Expense	-7.33	-5.65	-2.53	-2.82	-2.95	22
Com. Stock Dividends as a % of Earnings	-25.6%	-18.6%	-31.8%	-23.8%	-6.1%	23
Return on Common Equity	284.8%	-107.1%	-19.4%	-22.5%	-34.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	50.7%	124.3%	84.6%	53.5%	89.8%	25
CWIP as a % of Plant	1.0%	0.9%	0.7%	0.6%	0.8%	26

**Notes:**

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

Current Assets	1,289,522,028	1,248,099,251	1,380,200,458	1,750,851,743	1,957,961,483
Current Liabilities	6,255,529,764	4,786,674,811	4,957,165,881	4,521,797,752	4,125,551,880
Total Capitalization	5,194,071,238	6,314,999,528	8,215,472,880	8,241,223,402	8,600,176,463
Long-Term Debt	1,266,266,286	2,269,733,180	2,277,240,295	2,680,810,946	2,688,366,631
Preferred Stock	923,500	923,700	925,100	926,700	926,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	(1,527,400,531)	412,115,288	2,227,968,293	2,702,544,894	3,588,933,617
Short-Term Debt	5,454,281,983	3,632,227,360	3,709,339,193	2,856,940,862	2,321,949,515
Pretax Income	(2,315,435,406)	(1,996,464,495)	(773,641,885)	(858,317,664)	(1,117,726,167)
Interest Expense	315,790,404	353,178,729	305,571,573	304,823,109	378,941,994
Dividends Paid	406,825,183	263,347,671	151,650,438	168,937,761	65,085,033
Net Income (Excl. Preferred Stock Dividends)	(1,588,179,318)	(1,413,847,591)	(477,392,904)	(708,973,541)	(1,058,793,271)
Internal Cash	603,511,806	1,575,050,381	1,149,612,620	763,956,642	1,268,216,635
Cash Outflows for Construction	(1,189,476,976)	(1,266,732,641)	(1,359,375,481)	(1,428,570,895)	(1,411,570,136)
CWIP	333,184,848	303,328,348	242,255,667	212,527,486	282,820,393
Total Plant	33,595,654,285	33,438,797,619	35,018,620,799	34,198,294,520	34,316,182,250
Shares Outstanding	7,808,283	7,564,483	61,497,723	7,575,237	7,575,235
Number of Employees	17,778	18,044	21,357	22,365	24,503

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$48,839	\$74,039	\$118,314	\$155,467	\$180,850	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	152,514	150,190	153,532	161,981	175,373	2
Changes in Deferred Income Taxes	3,126	3,614	14,814	336	(20,275)	3
Changes in Working Capital	44,806	63,820	(48,227)	(13,911)	36,453	4
Capitalized AFDC - Equity	(39)	(13)	(15)	(19)	(173)	5
Other	1,216	(12,177)	(17,461)	(24,666)	1,733	6
Total Non-Cash Items	201,623	205,434	102,643	123,721	193,110	7
Net Cash Provided From Operating Activities	<u>250,462</u>	<u>279,474</u>	<u>220,957</u>	<u>279,189</u>	<u>373,960</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(52,065)	(62,898)	(54,817)	(59,357)	(83,340)	10
Purchase of Other Investments	193,309	44,388	(24,064)	(29,567)	(77,185)	11
Sale of Other Investments	6,820	7,011	3,140	3,134	2,019	12
Other	4,636	3,704	4,415	(9,871)	10,240	13
Net Cash Provided From Investing Activities	<u>152,699</u>	<u>(7,795)</u>	<u>(71,328)</u>	<u>(95,660)</u>	<u>(148,267)</u>	
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(4,379)	(2,646)	(4,038)	(5,665)	(8,669)	14
Common Stock	(4,549)	(929)	(531)	(607)	(1,392)	15
Preferred Stock		(1)	(610)		(13)	16
Short-Term Debt	5,614	(133)	92	259	(1,186)	17
Dividends Paid	(408,585)	(261,751)	(145,431)	(167,809)	(214,682)	18
Other Financing	100	(667)	875	(26)	405	19
Net Cash Provided From Financing Activities	<u>(411,798)</u>	<u>(266,126)</u>	<u>(149,644)</u>	<u>(173,848)</u>	<u>(225,537)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(8,637)	5,553	(14)	9,681	156	21
Cash & Equivalents at Beginning of Year	65,465	59,912	59,927	50,246	50,090	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$56,828</b>	<b>\$65,465</b>	<b>\$59,912</b>	<b>\$59,927</b>	<b>\$50,246</b>	<b>23</b>

Table 5 WT

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

	2011	2010	2009	2008	2007
1 Revenues	\$670,027	\$706,489	\$756,339	\$796,787	\$851,977
2 Access Lines	653,852	692,629	748,301	809,163	897,260
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$119,908	\$119,259	\$121,946	\$132,803	\$145,232
4 Depreciation and Amortization	152,287	153,300	157,223	164,789	176,583
5 Other Operations Expense	278,317	276,326	251,542	247,301	248,403
6 Total Operation Expenses	548,954	548,886	530,711	544,893	570,217
7 Income Taxes - Operating Taxes	11,504	22,213	47,461	70,167	78,772
8 Other Taxes - Operating Taxes	39,289	45,332	50,487	51,411	49,892
9 Capital Costs	70,280	90,059	127,680	130,316	153,095
10 Total	\$670,027	\$706,489	\$756,339	\$796,787	\$851,977
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	17.9	16.9	16.1	16.7	17.0
12 Depreciation and Amortization	22.7	21.7	20.8	20.7	20.7
13 Other Operations Expense	41.5	39.1	33.3	31.0	29.2
14 Income Taxes - Operating Taxes	1.7	3.1	6.3	8.8	9.2
15 Other Taxes - Operating Taxes	5.9	6.4	6.7	6.5	5.9
16 Capital Costs	10.5	12.7	16.9	16.4	18.0
17 Total	100.2	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	183.39	172.18	162.96	164.12	161.86
19 Depreciation and Amortization	232.91	221.33	210.11	203.65	196.80
20 Other Operations Expense	425.66	398.95	336.15	305.63	276.85
21 Income Taxes - Operating Taxes	17.59	32.07	63.42	86.71	87.79
22 Other Taxes - Operating Taxes	60.09	65.45	67.47	63.54	55.61
23 Capital Costs	107.49	130.03	170.63	161.05	170.62
24 Total	1,027.12	1,020.01	1,010.74	984.71	949.53

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$338,118	\$336,736	\$335,388	\$333,532	\$337,411	1
Central Office Assets	1,484,406	1,461,746	1,441,905	1,420,809	1,391,412	2
Information Origination/Termination	41,816	41,261	40,120	41,411	40,960	3
Cable And Wire Facilities	1,737,652	1,715,612	1,693,959	1,665,196	1,626,864	4
Amortizable Assets	17,211	17,369	17,583	17,737	17,580	5
<b>Total Plant In Service</b>	3,619,203	3,572,724	3,528,955	3,478,685	3,414,227	6
Property Held For Future Use	11	11	11	106	107	7
Plant Under Construction	25,165	32,671	25,298	31,150	47,369	8
Tel. Acquisition	142,620	142,620	142,895	142,620	142,620	9
Other Plant				275	275	10
Nonoperating Plant	609	609	798	1,645	1,579	11
Goodwill	4,493	4,493	1,710	1,710	1,710	12
<b>Total Telecommunications Plant</b>	3,792,101	3,753,128	3,699,668	3,656,191	3,607,887	13
Less Acc. Prov. For Depreciation & Amort.	2,912,889	2,776,922	2,643,249	2,509,407	2,378,370	14
<b>Net Total Utility Plant</b>	879,213	976,206	1,056,418	1,146,783	1,229,518	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.23	1.61	2.12	1.79	1.57	16
Total Capitalization (\$000)	\$875,254	\$1,297,134	\$1,492,148	\$1,537,827	\$1,569,326	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.8%	1.5%	1.8%	2.0%	2.4%	18
Preferred Stock	0.1%	0.1%	0.1%	0.1%	0.1%	19
Common Stock & Retained Earnings	96.3%	97.5%	97.7%	97.5%	97.1%	20
Short-Term Debt	1.8%	0.9%	0.5%	0.5%	0.4%	21
Pretax Coverage of Interest Expense	6.74	9.80	17.50	26.20	26.05	22
Com. Stock Dividends as a % of Earnings	815.1%	374.5%	133.3%	111.4%	36.0%	23
Return on Common Equity	4.7%	5.2%	7.7%	10.0%	11.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	579.3%	534.3%	502.4%	577.2%	525.2%	25
CWIP as a % of Plant	0.6%	0.9%	0.7%	0.9%	1.1%	26

**Notes:**

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

Current Assets	322,404,349	277,323,039	318,937,113	283,420,338	277,283,963
Current Liabilities	261,235,581	171,913,310	150,169,669	158,121,669	176,668,608
Total Capitalization	875,253,976	1,297,134,464	1,492,148,351	1,537,827,439	1,569,325,620
Long-Term Debt	15,552,505	18,997,500	26,137,678	31,122,842	37,206,553
Preferred Stock	923,500	923,700	925,100	926,700	926,700
Common Stock and Retained Earnings (Excl. Preferred Stock)	843,153,505	1,264,918,012	1,457,337,532	1,498,746,492	1,524,344,433
Short-Term Debt	15,624,466	12,295,252	7,748,042	7,031,405	6,847,933
Pretax Income	85,836,125	117,993,720	189,200,202	243,279,745	279,342,692
Interest Expense	12,731,338	12,035,593	10,813,122	9,287,073	10,722,688
Dividends Paid	406,825,183	263,347,671	151,650,438	168,937,761	65,085,033
Net Income (Excl. Preferred Stock Dividends)	49,911,473	70,321,259	113,781,786	151,625,513	180,826,931
Internal Cash	301,610,037	336,089,502	275,386,596	341,239,317	437,716,193
Cash Outflows for Construction	(52,064,721)	(62,897,593)	(54,817,494)	(59,115,275)	(83,340,377)
CWIP	23,730,174	32,670,556	25,298,370	31,149,821	47,369,446
Total Plant	3,791,956,310	3,753,127,938	3,699,667,489	3,656,190,559	4,231,614,112
Shares Outstanding	7,808,282	7,564,482	61,497,722	7,575,236	7,575,234
Number of Employees	1,555	1,647	1,684	1,817	1,941

Table 4

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$1,605,867)	(\$1,437,813)	(\$507,173)	(\$753,414)	(\$788,351)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,322,733	1,326,501	1,337,827	1,446,423	1,525,445	2
Changes in Deferred Income Taxes	(371,237)	96,847	137,514	(183,163)	(261,084)	3
Changes in Working Capital	(197,140)	(4,970)	(143,051)	(305,649)	66,880	4
Capitalized AFDC - Equity						5
Other	1,347,322	1,479,919	227,204	423,685	559,264	6
Total Non-Cash Items	2,101,678	2,898,296	1,559,494	1,381,297	1,890,504	7
Net Cash Provided From Operating Activities	495,811	1,460,484	1,052,320	627,883	1,102,153	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,166,069)	(1,239,120)	(1,340,633)	(1,405,099)	(1,385,446)	9
Purchase of Other Investments	192,143	71,701	2,532	(23,517)	(90,030)	10
Sale of Other Investments	31,928	65,081	53,638	(55,269)	75,867	11
Other	(15,954)	(18,525)	(86,310)	(15,752)		12
Net Cash Provided From Investing Activities	(957,951)	(1,120,863)	(1,370,773)	(1,499,639)	(1,399,610)	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(1,000,000)	(400,000)		(250,000)		14
Common Stock				7		15
Preferred Stock						16
Short-Term Debt	1,818,684	318,184	451,691	785,344	(1,562,357)	17
Dividends Paid	(350,000)	(250,000)	(140,000)	(125,000)	(155,000)	18
Other Financing	(2,615)	(6,916)	7,053	465,273	2,010,968	19
			(972)	(466,443)	(15,436)	
Net Cash Provided From Financing Activities	466,069	(338,732)	317,772	409,181	278,175	20
Net Increase (Decrease) in Cash & Equivalents	3,930	889	(681)	(462,575)	(19,281)	21
Cash & Equivalents at Beginning of Year	1,720	831	1,771	464,346	483,628	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$5,650</b>	<b>\$1,720</b>	<b>\$1,090</b>	<b>\$1,771</b>	<b>\$464,346</b>	<b>23</b>

Table 5 AT

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,463,493	\$5,451,315	\$5,683,483	\$5,988,066	\$6,014,329
2 Access Lines	4,524,007	5,096,732	5,744,148	6,498,995	7,361,790
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$4,165,818	\$4,040,840	\$3,003,496	\$2,979,239	\$3,443,004
4 Depreciation and Amortization	1,322,733	1,326,501	1,337,827	1,446,423	1,525,445
5 Other Operations Expense	2,256,945	2,229,584	2,285,680	2,125,047	1,897,730
6 Total Operation Expenses	7,745,496	7,596,925	6,627,002	6,550,709	6,866,178
7 Income Taxes - Operating Taxes	(1,061,378)	(975,125)	(645,196)	(489,215)	(473,836)
8 Other Taxes - Operating Taxes	488,991	450,923	484,621	501,523	513,725
9 Capital Costs	(1,709,617)	(1,621,407)	(782,944)	(574,951)	(891,738)
10 Total	\$5,463,493	\$5,451,315	\$5,683,483	\$5,988,066	\$6,014,329
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	76.2	74.1	52.8	49.8	57.2
12 Depreciation and Amortization	24.2	24.3	23.5	24.2	25.4
13 Other Operations Expense	41.3	40.9	40.2	35.5	31.6
14 Income Taxes - Operating Taxes	(19.4)	(17.9)	(11.4)	(8.2)	(7.9)
15 Other Taxes - Operating Taxes	9.0	8.3	8.5	8.4	8.5
16 Capital Costs	(31.3)	(29.7)	(13.8)	(9.6)	(14.8)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	920.82	792.83	522.88	458.42	467.69
19 Depreciation and Amortization	292.38	260.26	232.90	222.56	207.21
20 Other Operations Expense	498.88	437.45	397.91	326.98	257.78
21 Income Taxes - Operating Taxes	(234.61)	(191.32)	(112.32)	(75.28)	(64.36)
22 Other Taxes - Operating Taxes	108.09	88.47	84.37	77.17	69.78
23 Capital Costs	(377.90)	(318.13)	(136.30)	(88.47)	(121.13)
24 Total	1,207.67	1,069.57	989.44	921.38	816.97

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,519,540	\$3,569,141	\$3,661,651	\$3,695,127	\$3,661,426	1
Central Office Assets	10,278,894	12,322,055	12,642,021	12,536,524	12,701,434	2
Information Origination/Termination	220,730	289,171	358,033	410,528	474,591	3
Cable And Wire Facilities	17,057,884	15,397,442	16,546,250	15,772,965	14,953,737	4
Amortizable Assets	923,125	299,871	327,560	337,466	402,554	5
<b>Total Plant In Service</b>	<b>32,000,173</b>	<b>31,877,680</b>	<b>33,535,516</b>	<b>32,752,612</b>	<b>32,193,742</b>	<b>6</b>
Property Held For Future Use				1,757		7
Plant Under Construction	326,634	295,348	236,159	204,219	271,437	8
Tel. Acquisition	142,405	142,405	142,405	142,405	142,405	9
Other Plant						10
Nonoperating Plant	9,469	15,437	13,047	16,473	18,755	11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>32,478,682</b>	<b>32,330,870</b>	<b>33,927,127</b>	<b>33,117,466</b>	<b>32,626,339</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	21,266,084	21,103,326	22,714,222	21,978,483	21,415,686	14
<b>Net Total Utility Plant</b>	<b>\$11,212,598</b>	<b>\$11,227,545</b>	<b>\$11,212,905</b>	<b>\$11,138,984</b>	<b>\$11,210,654</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.18	0.23	0.25	0.36	0.45	16
Total Capitalization (\$000)	\$4,731,835	\$5,748,659	\$7,657,762	\$7,693,832	\$8,039,102	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	26.4%	39.2%	29.4%	34.4%	33.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	-41.4%	-2.1%	22.3%	25.1%	38.2%	20
Short-Term Debt	114.9%	63.0%	48.3%	37.5%	28.8%	21
Pretax Coverage of Interest Expense	-7.49	-5.82	-2.72	-2.31	-3.21	22
Com. Stock Dividends as a % of Earnings	-21.8%	-17.4%	-27.6%	-13.2%	-0.4%	23
Return on Common Equity	154.4%	-181.6%	-27.9%	-19.8%	-44.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	46.2%	121.7%	82.0%	42.9%	83.6%	25
CWIP as a % of Plant	1.0%	0.9%	0.7%	0.6%	0.8%	26

**Notes:**

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

Current Assets	1,113,712	1,085,611	1,226,940	1,602,853	1,824,577
Current Liabilities	6,152,714	4,700,566	4,890,419	4,450,005	4,066,664
Total Capitalization	4,731,835	5,748,659	7,657,762	7,693,832	8,039,102
Long-Term Debt	1,250,714	2,250,736	2,251,103	2,649,688	2,651,160
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(1,957,537)	(122,009)	1,705,068	1,929,507	3,072,840
Short-Term Debt	5,438,658	3,619,932	3,701,591	2,883,557	2,315,102
Pretax Income	(2,344,671)	(2,037,117)	(822,978)	(699,738)	(1,203,883)
Interest Expense	313,030	350,198	302,962	302,964	374,943
Dividends Paid	350,000	250,000	140,000	65,000	5,000
Net Income (Excl. Preferred Stock Dividends)	(1,605,867)	(1,437,813)	(507,173)	(494,241)	(1,116,456)
Internal Cash	538,892	1,507,696	1,098,979	555,818	1,158,737
Cash Outflows for Construction	(1,166,069)	(1,239,120)	(1,340,633)	(1,296,016)	(1,385,446)
CWIP	326,634	295,348	236,159	192,116	271,437
Total Plant	32,478,682	32,330,870	33,927,127	32,065,240	32,626,339
Shares Outstanding	0	0	0	57,363	0
Number of Employees	16,961	17,173	20,475	132,212,077	23,562

Table 4 I

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$16,615	\$27,683	\$34,313	\$48,282	\$57,686	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	43,286	41,656	44,705	49,024	54,187	2
Changes in Deferred Income Taxes	(2,196)	(1,708)	2,482	1,802	(3,227)	3
Changes in Working Capital	6,220	10,667	(13,896)	4,242	(2,366)	4
Capitalized AFDC - Equity	(39)	(13)	(15)	(19)	(173)	5
Other	(7,333)	(20,334)	(24,726)	(29,308)	(3,799)	6
Total Non-Cash Items	39,937	30,268	8,550	25,741	44,621	7
Net Cash Provided From Operating Activities	<u>56,553</u>	<u>57,951</u>	<u>42,863</u>	<u>74,023</u>	<u>102,307</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(23,408)	(27,612)	(18,743)	(23,713)	(26,124)	9
Purchase of Other Investments	1,165	(27,557)	(29,473)	(4,666)	(13,515)	10
Sale of Other Investments	6,594	6,579	3,140	3,134	1,629	11
Other	13,593	11,429	11,552	5,881	10,240	12
Net Cash Provided From Investing Activities	<u>(2,056)</u>	<u>(37,161)</u>	<u>(33,525)</u>	<u>(19,363)</u>	<u>(27,771)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(4,379)	(2,646)	(4,038)	(5,665)	(8,669)	14
Common Stock	(4,549)	(929)	(531)	(607)	(1,392)	15
Preferred Stock	(0)	(1)	(610)	-	(13)	16
Short-Term Debt	5,614	(133)	92	259	(1,186)	17
Dividends Paid	(58,585)	(11,751)	(5,431)	(42,809)	(59,682)	18
Other Financing	100	(667)	875	(26)	405	19
	-	-	-	-	-	
Net Cash Provided From Financing Activities	<u>(61,798)</u>	<u>(16,126)</u>	<u>(9,644)</u>	<u>(48,848)</u>	<u>(70,537)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(7,301)	4,664	(305)	5,812	4,000	21
Cash & Equivalents at Beginning of Year	63,745	59,081	59,386	53,574	49,574	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$56,444</b>	<b>\$63,745</b>	<b>\$59,081</b>	<b>\$59,386</b>	<b>\$53,574</b>	<b>23</b>

Table 5 BT

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

	2011	2010	2009	2008	2007
1 Revenues	\$228,367	\$237,519	\$248,813	\$262,027	\$283,913
2 Access Lines	246,469	261,778	281,425	302,946	336,575
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	56,623	54,207	54,742	58,294	58,173
4 Depreciation and Amortization	43,059	44,766	48,396	51,832	55,397
5 Other Operations Expense	94,469	92,764	93,105	96,723	103,296
6 Total Operation Expenses	192,593	191,737	196,243	206,849	216,865
7 Income Taxes - Operating Taxes	5,709	10,512	15,276	17,927	20,160
8 Other Taxes - Operating Taxes	13,671	14,486	16,558	16,431	17,294
9 Capital Costs	16,393	20,784	20,735	20,821	29,593
10 Total	\$228,367	\$237,519	\$248,813	\$262,027	\$283,913
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	24.8	22.8	22.0	22.2	20.5
12 Depreciation and Amortization	18.9	18.8	19.5	19.8	19.5
13 Other Operations Expense	41.4	39.1	37.4	36.9	36.4
14 Income Taxes - Operating Taxes	2.5	4.4	6.1	6.8	7.1
15 Other Taxes - Operating Taxes	6.0	6.1	6.7	6.3	6.1
16 Capital Costs	7.2	8.8	8.3	7.9	10.4
17 Total	100.7	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	229.74	207.07	194.52	192.42	172.84
19 Depreciation and Amortization	174.71	171.01	171.97	171.09	164.59
20 Other Operations Expense	383.29	354.36	330.83	319.27	306.90
21 Income Taxes - Operating Taxes	23.16	40.16	54.28	59.18	59.90
22 Other Taxes - Operating Taxes	55.47	55.34	58.84	54.24	51.38
23 Capital Costs	66.51	79.39	73.68	68.73	87.92
24 Total Annual	932.88	907.33	884.12	864.93	843.54

Table 6 I

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$130,244	\$130,483	\$131,423	\$131,506	\$131,329	1
Central Office Assets	441,171	437,802	433,913	428,774	422,844	2
Information Origination/Termination	10,202	9,842	8,914	7,544	7,410	3
Cable And Wire Facilities	521,078	515,225	506,655	499,089	487,559	4
Amortizable Assets	1,149	1,307	1,523	1,694	1,743	5
<b>Total Plant In Service</b>	<b>1,103,843</b>	<b>1,094,659</b>	<b>1,082,428</b>	<b>1,068,607</b>	<b>1,050,885</b>	<b>6</b>
Property Held For Future Use	11	11	11	106	107	7
Plant Under Construction	7,985	7,980	6,096	8,308	11,383	8
Tel. Acquisition	215	215	490	215	215	9
Other Plant	(0)	(0)	(0)	275	275	10
Nonoperating Plant	570	570	759	1,607	1,541	11
Goodwill	4,493	4,493	1,710	1,710	1,710	12
<b>Total Telecommunications Plant</b>	<b>1,117,117</b>	<b>1,107,927</b>	<b>1,091,494</b>	<b>1,080,828</b>	<b>1,066,116</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	834,066	799,722	769,031	733,615	697,730	14
<b>Net Total Utility Plant</b>	<b>\$283,051</b>	<b>\$308,205</b>	<b>\$322,463</b>	<b>\$347,213</b>	<b>\$368,386</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.71	1.89	2.30	2.06	2.27	16
Total Capitalization (\$000)	\$462,236	\$566,341	\$557,711	\$547,391	\$561,074	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	3.4%	3.4%	4.7%	5.7%	6.6%	18
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	19
Common Stock & Retained Earnings	93.1%	94.3%	93.8%	92.9%	92.0%	20
Short-Term Debt	3.4%	2.2%	1.4%	1.3%	1.2%	21
Pretax Coverage of Interest Expense	10.59	13.64	18.90	37.18	21.55	22
Com. Stock Dividends as a % of Earnings	321.3%	55.7%	39.1%	98.9%	104.2%	23
Return on Common Equity	3.7%	4.5%	5.8%	8.7%	11.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	276.1%	243.9%	270.2%	323.6%	419.1%	25
CWIP as a % of Plant	0.6%	0.7%	0.6%	0.8%	0.7%	26

Current Assets	175,810	162,488	153,261	147,998	133,384
Current Liabilities	102,816	86,109	66,746	71,793	58,888
Total Capitalization	462,236	566,341	557,711	547,391	561,074
Long-Term Debt	15,553	18,998	26,138	31,123	37,207
Preferred Stock	924	924	925	927	927
Common Stock and Retained Earnings (Excl. Preferred Stock)	430,136	534,124	522,900	508,310	516,093
Short-Term Debt	15,624	12,295	7,748	7,031	6,848
Pretax Income	29,236	40,653	49,336	69,097	86,157
Interest Expense	2,761	2,981	2,610	1,858	3,999
Dividends Paid	56,825	13,348	11,650	43,938	60,085
Net Income (Excl. Preferred Stock Dividends)	17,688	23,965	29,781	44,440	57,663
Internal Cash	64,620	67,354	50,634	75,947	109,480
Cash Outflows for Construction	(23,408)	(27,612)	(18,743)	(23,471)	(26,124)
CWIP	6,550	7,980	6,096	8,308	11,383
Total Plant	1,116,972	1,107,927	1,091,494	1,080,828	1,689,843
Shares Outstanding	7,808	7,564	61,498	7,575	7,575
Number of Employees	817	871	882	929	941

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$1,238,590	\$4,244,648	\$3,541,882	\$6,487,089	\$18,512,892	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	8,403,704	8,767,317	8,385,425	8,815,437	10,218,267	2
Changes in Deferred Income Taxes	(690,345)	(1,460,022)	693,269	(1,168)	(1,431,958)	3
Changes in Working Capital	(1,714,290)	2,488,258	(7,842,339)	3,349,493	(2,823,779)	4
Capitalized AFDC - Equity	(39,004)	(13,332)	(15,342)	(18,680)	(57,469)	5
Other	828,600	(580,605)	(104,141)	117,829	(343,458)	6
Total Non-Cash Items	6,788,665	9,201,616	1,116,872	12,262,911	5,561,603	7
Net Cash Provided From Operating Activities	<u>8,027,255</u>	<u>13,446,264</u>	<u>4,658,754</u>	<u>18,750,000</u>	<u>24,074,495</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(4,199,225)	(7,172,779)	(3,772,174)	(3,738,335)	(2,286,769)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>(4,199,225)</u>	<u>(7,172,779)</u>	<u>(3,772,174)</u>	<u>(3,738,335)</u>	<u>(2,286,769)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments):						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(1,114,000)	(3,800,000)	(3,249,466)	(5,800,000)	(6,677,462)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(1,114,000)</u>	<u>(3,800,000)</u>	<u>(3,249,466)</u>	<u>(5,800,000)</u>	<u>(6,677,462)</u>	20
Net Increase (Decrease) in Cash & Equivalents	2,714,030	2,473,485	(2,362,886)	9,211,665	15,110,264	21
Cash & Equivalents at Beginning of Year	29,119,453	26,645,968	29,008,854	19,797,189	4,686,925	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$31,833,483</b>	<b>\$29,119,453</b>	<b>\$26,645,968</b>	<b>\$29,008,854</b>	<b>\$19,797,189</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$38,155,879	\$39,569,242	\$40,818,508	\$44,103,040	\$48,629,961
2 Access Lines	52,713	55,255	59,764	65,676	72,003
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$6,402,944	\$5,092,811	\$5,500,426	\$5,736,857	\$5,776,676
4 Depreciation and Amortization	8,403,704	8,767,317	8,385,425	8,815,437	10,218,267
5 Other Operations Expense	15,534,182	13,422,910	15,727,999	17,078,861	17,629,298
6 Total Operation Expenses	30,340,830	27,283,038	29,613,850	31,631,155	33,624,241
7 Income Taxes - Operating Taxes	589,399	2,293,363	1,914,050	3,498,399	3,658,479
8 Other Taxes - Operating Taxes	3,553,122	3,568,859	3,884,753	3,299,330	4,540,725
9 Capital Costs	3,672,528	6,423,981	5,405,855	5,674,156	6,806,516
10 Total	\$38,155,879	\$39,569,242	\$40,818,508	\$44,103,040	\$48,629,961
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	16.8	12.9	13.5	13.0	11.9
12 Depreciation and Amortization	22.0	22.2	20.5	20.0	21.0
13 Other Operations Expense	40.7	33.9	38.5	38.7	36.3
14 Income Taxes - Operating Taxes	1.5	5.8	4.7	7.9	7.5
15 Other Taxes - Operating Taxes	9.3	9.0	9.5	7.5	9.3
16 Capital Costs	9.6	16.2	13.2	12.9	14.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	121.47	92.17	92.04	87.35	80.23
19 Depreciation and Amortization	159.42	158.67	140.31	134.23	141.91
20 Other Operations Expense	294.69	242.93	263.17	260.05	244.84
21 Income Taxes - Operating Taxes	11.18	41.51	32.03	53.27	50.81
22 Other Taxes - Operating Taxes	67.41	64.59	65.00	50.24	63.06
23 Capital Costs	69.67	116.26	90.45	86.40	94.53
24 Total	723.84	716.12	682.99	671.52	675.39

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$20,443,222	\$20,265,510	\$20,232,523	\$20,109,951	\$20,025,798	1
Central Office Assets	94,191,700	91,445,186	89,242,672	87,197,032	85,917,441	2
Information Origination/Termination	41,889	46,026	127,591	146,945	162,358	3
Cable And Wire Facilities	104,629,846	103,612,796	102,601,927	101,344,697	99,064,656	4
Amortizable Assets						5
<b>Total Plant In Service</b>	219,306,657	215,369,518	212,204,713	208,798,625	205,170,253	6
Property Held For Future Use						7
Plant Under Construction	1,380,338	1,593,329	1,063,803	1,641,718	2,345,465	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				12
<b>Total Telecommunications Plant</b>	223,507,156	219,783,008	213,305,524	210,477,351	207,552,726	13
Less Acc. Prov. For Depreciation & Amort.	169,303,614	161,406,175	153,324,053	145,782,209	137,844,672	14
<b>Net Total Utility Plant</b>	\$54,203,542	\$58,376,833	\$59,981,471	\$64,695,142	\$69,708,054	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	17.30	8.57	15.31	3.92	4.45	16
Total Capitalization	\$76,604,421	\$76,479,831	\$76,035,674	\$75,743,258	\$75,056,169	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	130571.64	97583.26	59956.30	43989.93	102.53	22
Com. Stock Dividends as a % of Earnings	89.9%	89.5%	91.7%	89.4%	36.1%	23
Return on Common Equity	1.6%	5.6%	4.7%	8.6%	26.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	191.1%	187.5%	123.5%	501.6%	1052.8%	25
CWIP as a % of Plant	0.6%	0.7%	0.5%	0.8%	1.1%	26

Current Assets	37,160,872	35,571,403	32,856,882	33,795,924	25,090,767
Current Liabilities	2,147,983	4,152,283	2,146,581	8,611,207	5,640,897
Total Capitalization	76,604,421	76,479,831	76,035,674	75,743,258	75,056,169
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	76,604,421	76,479,831	76,035,674	75,743,258	75,056,169
Short-Term Debt					
Pretax Income	1,828,003	6,538,078	5,456,023	9,985,715	22,502,412
Interest Expense	14	67	91	227	219,468
Common Dividends Paid	1,114,000	3,800,000	3,249,466	5,800,000	6,677,462
Net Income (Excl. Preferred Stock Dividends)	1,238,590	4,244,648	3,541,882	6,487,089	18,512,892
Internal Cash	8,026,199	13,446,264	4,658,754	18,750,000	24,074,495
Cash Outflows for Construction	(4,199,225)	(7,172,779)	(3,772,174)	(3,738,335)	(2,286,769)
CWIP	1,380,338	1,593,329	1,063,803	1,641,718	2,345,465
Total Plant	223,504,156	219,783,008	213,305,524	210,477,351	207,552,726
Shares Outstanding	2,621	2,621	2,621	2,621	2,621
Number of Employees	59	67	71	79	82

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$20,264)	(\$77,775)	(\$168,829)	(\$305,985)	(\$120,862)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	787,618	757,128	933,528	940,505	897,049	2
Changes in Deferred Income Taxes	(100,972)	(57,299)	(131,632)	(25,101)	(207,786)	3
Changes in Working Capital	(75,235)	(67,858)	161,111	(113,922)	73,803	4
Capitalized AFDC - Equity						5
Other	26,944	55,349	(11,847)	(70,272)	(61,310)	6
Total Non-Cash Items	638,355	687,320	951,160	731,210	701,756	7
Net Cash Provided From Operating Activities	<u>618,091</u>	<u>609,545</u>	<u>782,330</u>	<u>425,225</u>	<u>580,894</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(143,573)	(\$309,774)	(398,856)	(480,115)	(644,296)	9
Purchase of Other Investments						10
Sale of Other Investments	2,098	\$6,850	(11,769)	5,682	19,042	11
Other	(9,648)	(\$2,033)	(1,195)	(3,307)	(12,584)	12
Net Cash Provided From Investing Activities	<u>(151,123)</u>	<u>(304,957)</u>	<u>(411,820)</u>	<u>(477,740)</u>	<u>(637,838)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(159,782)	(\$164,761)	(157,069)	(149,434)	(142,230)	14
Common Stock					(131,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(159,782)</u>	<u>(164,761)</u>	<u>(157,069)</u>	<u>(149,434)</u>	<u>(273,230)</u>	20
Net Increase (Decrease) in Cash & Equivalents	307,186	139,827	213,441	(201,949)	(330,174)	21
Cash & Equivalents at Beginning of Year	1,182,733	1,042,906	829,465	1,031,414	1,361,588	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,489,919</b>	<b>\$1,182,733</b>	<b>\$1,042,906</b>	<b>\$829,465</b>	<b>\$1,031,414</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,498,666	\$4,605,800	\$4,427,430	\$4,314,742	\$4,625,362
2 Access Lines	2,522	2,644	2,744	2,475	3,009
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$776,282	\$823,503	\$872,026	\$856,531	\$866,369
4 Depreciation and Amortization	787,618	757,128	933,528	940,595	897,049
5 Other Operations Expense	2,603,368	2,671,572	2,581,341	2,654,012	2,693,458
6 Total Operation Expenses	4,167,268	4,252,203	4,386,895	4,451,138	4,456,876
7 Income Taxes - Operating Taxes	(53,045)	17,345	(172,316)	(220,981)	(83,823)
8 Other Taxes - Operating Taxes	265,753	262,254	260,360	239,112	226,146
9 Capital Costs	118,690	73,999	(47,509)	(154,526)	26,164
10 Total	\$4,498,666	\$4,605,800	\$4,427,430	\$4,314,742	\$4,625,362
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	17.3	17.9	19.7	19.9	18.7
12 Depreciation and Amortization	17.5	16.4	21.1	21.8	19.4
13 Other Operations Expense	57.9	58.0	58.3	61.5	58.2
14 Income Taxes - Operating Taxes	(1.2)	0.4	(3.9)	(5.1)	(1.8)
15 Other Taxes - Operating Taxes	5.9	5.7	5.9	5.5	4.9
16 Capital Costs	2.6	1.6	(1.1)	(3.6)	0.6
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	307.80	311.46	317.79	346.07	287.93
19 Depreciation and Amortization	312.30	286.36	340.21	380.04	298.12
20 Other Operations Expense	1,032.26	1,010.43	940.72	1,072.33	895.13
21 Income Taxes - Operating Taxes	(21.03)	6.56	(62.80)	(89.29)	(27.86)
22 Other Taxes - Operating Taxes	105.37	99.19	94.88	96.61	75.16
23 Capital Costs	47.06	27.99	(17.31)	(62.43)	8.70
24 Total	1,783.77	1,741.98	1,613.49	1,743.33	1,537.18

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,688,180	\$1,714,835	\$1,702,022	\$2,120,524	\$2,183,675	1
Central Office Assets	4,880,504	5,696,309	5,778,000	5,640,343	5,590,118	2
Information Origination/Termination	87,670	87,670	206,037	206,037	206,037	3
Cable And Wire Facilities	6,618,348	6,538,295	6,355,446	6,177,418	5,932,205	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>13,274,702</b>	<b>14,037,108</b>	<b>14,041,506</b>	<b>14,144,322</b>	<b>13,912,035</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction		10,683	75,130	12,455	19,483	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>13,274,702</b>	<b>14,047,791</b>	<b>14,116,636</b>	<b>14,156,777</b>	<b>13,931,518</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	9,721,513	9,858,109	9,474,784	8,993,217	8,305,193	14
<b>Net Total Utility Plant</b>	<b>\$3,553,189</b>	<b>\$4,189,682</b>	<b>\$4,641,852</b>	<b>\$5,163,560</b>	<b>\$5,626,325</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.70	0.57	2.48	2.60	2.28	16
Total Capitalization	\$4,871,401	\$5,051,449	\$5,293,985	\$5,619,883	\$6,075,302	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt		0.5%	54.5%	54.3%	52.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	44.0%	42.9%	42.4%	42.9%	44.7%	20
Short-Term Debt	56.0%	56.6%	3.1%	2.8%	2.5%	21
Pretax Coverage of Interest Expense	0.51	0.64	-1.03	-2.19	-0.16	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-9.4%	-3.5%	-7.3%	-11.9%	-4.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	430.5%	196.8%	196.1%	88.6%	90.2%	25
CWIP as a % of Plant		0.1%	0.5%	0.1%	0.1%	26

Current Assets	2,226,830	1,897,947	1,848,740	1,698,595	1,910,052
Current Liabilities	3,174,575	3,338,045	744,946	653,535	839,135
Total Capitalization	4,871,401	5,051,449	5,293,985	5,619,883	6,075,302
Long-Term Debt		24,550	2,887,691	3,052,654	3,207,377
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,145,668	2,165,933	2,243,709	2,412,538	2,718,523
Short-Term Debt	2,725,733	2,860,965	162,585	154,691	149,402
Pretax Income	72,160	95,428	(161,040)	(359,460)	(26,638)
Interest Expense	140,147	148,400	156,500	164,118	171,343
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(202,264)	(77,775)	(168,829)	(305,985)	(120,862)
Internal Cash	618,091	609,545	782,330	425,225	580,894
Cash Outflows for Construction	(143,573)	(309,774)	(398,856)	(480,115)	(644,296)
CWIP		10,683	75,130	12,455	19,483
Total Plant	13,274,702	14,047,791	14,116,636	14,156,777	13,931,518
Shares Outstanding	4,860	4,860	4,860	4,860	4,860
Number of Employees	11	25	25	22	25

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$185,438)	(\$5,477)	\$306,168	\$277,089	\$397,336	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	641,793	263,318	209,301	378,248	1,054,274	2
Changes in Deferred Income Taxes	(61,876)	95,188	146,370	741,002	(215,612)	3
Changes in Working Capital	(199,596)	48,000	(53,526)	317,647	(1,465,643)	4
Capitalized AFDC - Equity						5
Other	(57,256)	(84,909)	(637,133)	101,067	(121,932)	6
Total Non-Cash Items	323,065	321,597	(334,988)	1,537,964	(748,913)	7
Net Cash Provided From Operating Activities	<u>137,627</u>	<u>316,120</u>	<u>(28,820)</u>	<u>1,815,053</u>	<u>(351,577)</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(133,498)	(320,989)	(45,870)	(738,048)	(450,147)	9
Purchase of Other Investments			55,010	195,000		10
Sale of Other Investments				(137,632)	(295,313)	11
Other				(10,000)		12
Net Cash Provided From Investing Activities	<u>(133,498)</u>	<u>(320,989)</u>	<u>9,140</u>	<u>(690,680)</u>	<u>(745,460)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt				(1,100,196)	(141,576)	14
Common Stock					1,140,000	15
Preferred Stock						16
Short-Term Debt					8,579	17
Dividends Paid				(5,000)		18
Other Financing						19
Net Cash Provided From Financing Activities				<u>(1,105,196)</u>	<u>1,007,003</u>	20
Net Increase (Decrease) in Cash & Equivalents	4,129	(4,869)	(19,680)	19,177	(90,034)	21
Cash & Equivalents at Beginning of Year	9,862	14,731	34,411	15,234	105,268	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$13,991</b>	<b>\$9,862</b>	<b>\$14,731</b>	<b>\$34,411</b>	<b>\$15,234</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,618,683	\$3,054,678	\$3,312,126	\$3,378,445	\$4,210,689
2 Access Lines	3,507	3,825	4,092	4,434	5,135
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$539,295	\$691,354	\$671,627	\$696,310	\$795,437
4 Depreciation and Amortization	641,793	751,497	814,390	838,322	1,051,085
5 Other Operations Expense	1,574,968	1,838,995	1,836,889	1,630,372	1,744,258
6 Total Operation Expenses	2,756,055	3,281,846	3,322,906	3,165,004	3,590,779
7 Income Taxes - Operating Taxes	(114,676)	(188,431)	(258,122)	(549,563)	119,544
8 Other Taxes - Operating Taxes	80,464	196,345	179,120	239,717	204,183
9 Capital Costs	(103,160)	(235,081)	68,222	523,287	296,183
10 Total	\$2,618,683	\$3,054,678	\$3,312,126	\$3,378,445	\$4,210,689
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	20.6	22.6	20.3	20.6	18.9
12 Depreciation and Amortization	24.5	24.6	24.6	24.8	25.0
13 Other Operations Expense	60.1	60.2	55.5	48.3	41.4
14 Income Taxes - Operating Taxes	(4.4)	(6.2)	(7.8)	(16.3)	2.8
15 Other Taxes - Operating Taxes	3.1	6.4	5.4	7.1	4.8
16 Capital Costs	(3.9)	(7.7)	2.1	15.5	7.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	153.78	180.75	164.13	157.04	154.90
19 Depreciation and Amortization	183.00	196.47	199.02	189.07	204.69
20 Other Operations Expense	449.09	480.78	448.90	367.70	339.68
21 Income Taxes - Operating Taxes	(32.70)	(49.26)	(63.08)	(123.94)	23.28
22 Other Taxes - Operating Taxes	22.94	51.33	43.77	54.06	39.76
23 Capital Costs	(29.42)	(61.46)	16.67	118.02	57.68
24 Total	746.70	798.61	809.41	761.94	820.00

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,862,690	\$3,850,751	\$3,775,075	\$3,787,168	\$3,292,820	1
Central Office Assets	5,802,475	5,747,812	5,546,840	5,254,389	5,057,746	2
Information Origination/Termination	313,033	313,034	313,034	313,034	313,034	3
Cable And Wire Facilities	7,117,370	7,105,562	7,027,501	7,002,661	6,853,240	4
Amortizable Assets	60,754	60,754	60,754	60,754	60,754	5
<b>Total Plant In Service</b>	<b>17,156,322</b>	<b>17,077,913</b>	<b>16,723,204</b>	<b>16,418,006</b>	<b>15,577,593</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	92,764	45,876	99,996	359,322	246,439	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	141,975	141,975	141,975	141,975	141,975	11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>17,391,061</b>	<b>17,265,764</b>	<b>16,965,175</b>	<b>16,919,303</b>	<b>15,966,007</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	11,865,825	11,232,232	10,989,317	10,780,014	10,418,868	14
<b>Net Total Utility Plant</b>	<b>\$5,525,236</b>	<b>\$6,033,532</b>	<b>\$5,975,858</b>	<b>\$6,139,289</b>	<b>\$5,547,139</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	-0.09	-0.40	-0.87	-1.15	-1.04	16
Total Capitalization	\$8,012,693	\$8,344,131	\$8,503,425	\$9,195,258	\$7,725,667	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt					12.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	85.8%	20
Short-Term Debt					1.8%	21
Pretax Coverage of Interest Expense	-3.06	#DIV/0!	#DIV/0!	-8.57	3.16	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-3.3%	-5.6%	-3.8%	-4.3%	6.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	103.1%	90.0%	-62.8%	-232.2%	-78.1%	25
CWIP as a % of Plant	0.5%	0.3%	0.6%	2.1%	1.5%	26

Current Assets	144,053	453,585	768,055	868,180	970,534
Current Liabilities	(1,659,957)	(1,146,018)	(884,096)	(758,205)	(934,276)
Total Capitalization	8,012,693	8,344,131	8,503,425	9,195,258	7,725,667
Long-Term Debt					958,620
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	8,012,693	8,344,131	8,503,425	9,195,258	6,625,471
Short-Term Debt					141,576
Pretax Income	(268,793)	(450,696)	(189,900)	(217,936)	615,602
Interest Expense	87,868			25,444	194,702
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(267,128)	(468,213)	(338,283)	(340,296)	399,481
Internal Cash	137,627	288,937	(28,819)	(1,713,592)	(351,577)
Cash Outflows for Construction	(133,498)	(320,989)	(45,870)	(738,048)	(450,147)
CWIP	92,764	45,876	99,996	359,322	246,439
Total Plant	17,249,086	17,265,764	16,965,175	16,919,303	15,966,007
Shares Outstanding	1,536	1,536	1,536	1,536	1,536
Number of Employees	9	10	13	15	15

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$130,518	\$154,737	\$111,622	\$27,448	(\$31,540)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	149,055	145,691	142,181	154,886	157,022	2
Changes in Deferred Income Taxes	4,189	(4,613)	16,855	4,203	(12,488)	3
Changes in Working Capital	(237,649)	(189,620)	(109,672)	(39,334)	(101,332)	4
Capitalized AFDC - Equity						5
Other	20,966	(19,579)	(25,106)	9,643	43,303	6
Total Non-Cash Items	(63,439)	(68,121)	24,258	129,398	86,505	7
Net Cash Provided From Operating Activities	<u>67,079</u>	<u>86,616</u>	<u>135,880</u>	<u>156,846</u>	<u>54,965</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(66,463)	(73,543)	(132,978)	(201,615)	(54,625)	9
Purchase of Other Investments						10
Sale of Other Investments	(1,465)	(16,131)	(3,127)	48,122	(2,014)	11
Other						12
Net Cash Provided From Investing Activities	<u>(67,928)</u>	<u>(89,674)</u>	<u>(136,105)</u>	<u>(153,493)</u>	<u>(56,639)</u>	13
<b>Cash Flows from Financing Activities</b>						
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	(849)	(3,058)	(225)	3,353	(1,674)	21
Cash & Equivalents at Beginning of Year	1,114	4,172	4,397	1,044	2,718	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$265</b>	<b>\$1,114</b>	<b>\$4,172</b>	<b>\$4,397</b>	<b>\$1,044</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$864,291	\$872,669	\$916,002	\$927,164	\$936,375
2 Access Lines	957	997	1,076	1,151	1,225
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$265,587	\$296,273	\$285,616	\$363,924	\$306,766
4 Depreciation and Amortization	149,054	145,691	142,181	154,886	157,022
5 Other Operations Expense	223,367	237,184	343,307	340,624	465,745
6 Total Operation Expenses	638,008	679,148	771,104	859,434	929,533
7 Income Taxes - Operating Taxes	75,168	65,388	47,512	19,900	(5,984)
8 Other Taxes - Operating Taxes	30,471	31,073	36,053	36,987	37,189
9 Capital Costs	120,644	97,060	61,333	10,843	(24,363)
10 Total	\$864,291	\$872,669	\$916,002	\$927,164	\$936,375
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	30.7	34.0	31.2	39.3	32.8
12 Depreciation and Amortization	17.2	16.7	15.5	16.7	16.8
13 Other Operations Expense	25.8	27.2	37.5	36.7	49.7
14 Income Taxes - Operating Taxes	8.7	7.5	5.2	2.1	(0.6)
15 Other Taxes - Operating Taxes	3.5	3.6	3.9	4.0	4.0
16 Capital Costs	14.0	11.1	6.7	1.2	(2.6)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	277.52	297.16	265.44	316.18	250.42
19 Depreciation and Amortization	155.75	146.13	132.14	134.57	128.18
20 Other Operations Expense	233.40	237.90	319.06	295.94	380.20
21 Income Taxes - Operating Taxes	78.55	65.58	44.16	17.29	(4.88)
22 Other Taxes - Operating Taxes	31.84	31.17	33.51	32.13	30.36
23 Capital Costs	126.06	97.35	57.00	9.42	(19.89)
24 Total	903.13	875.29	851.30	805.53	764.39

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$313,943	\$313,942	\$312,142	\$311,989	\$280,850	1
Central Office Assets	1,332,605	1,311,927	1,280,820	1,215,141	1,168,170	2
Information Origination/Termination	65,610	65,610	65,610	65,610	65,610	3
Cable And Wire Facilities	1,364,955	1,322,221	1,310,279	1,260,516	1,214,085	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>3,077,113</b>	<b>3,013,700</b>	<b>2,968,851</b>	<b>2,853,257</b>	<b>2,728,715</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction		26,409	16,171	28,948	14,665	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>3,077,113</b>	<b>3,040,109</b>	<b>2,985,022</b>	<b>2,882,205</b>	<b>2,743,380</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	1,997,282	1,879,152	1,768,048	1,659,158	1,518,940	14
<b>Net Total Utility Plant</b>	<b>\$1,079,831</b>	<b>\$1,160,957</b>	<b>\$1,216,974</b>	<b>\$1,223,047</b>	<b>\$1,224,440</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	47.56	17.37	10.13	20.32	7.81	16
Total Capitalization	\$1,799,087	\$1,668,569	\$1,513,832	\$1,402,210	\$1,374,762	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-5.58	-5.07	-5.53	-1.08	2.53	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	7.5%	9.7%	7.7%	2.0%	-2.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.9%	117.8%	102.2%	77.8%	100.6%	25
CWIP as a % of Plant		0.9%	0.5%	1.0%	0.5%	26

Current Assets	1,000,806	787,224	623,818	468,645	459,971
Current Liabilities	21,042	45,331	61,602	23,059	58,913
Total Capitalization	1,799,087	1,668,569	1,513,832	1,402,210	1,374,762
Long-Term Debt				-	-
Preferred Stock					-
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,799,087	1,668,569	1,513,832	1,402,210	1,374,762
Short-Term Debt					-
Pretax Income	174,433	183,839	134,761	24,552	(62,067)
Interest Expense	(31,253)	(36,286)	(24,373)	(22,796)	(24,543)
Common Dividends Paid					-
Net Income (Excl. Preferred Stock Dividends)	130,518	154,737	111,622	27,448	(31,540)
Internal Cash	67,079	86,616	135,880	156,846	54,965
Cash Outflows for Construction	(66,463)	(73,543)	(132,978)	(201,615)	(54,625)
CWIP		26,409	16,171	28,948	14,665
Total Plant	3,077,113	3,040,109	2,985,022	2,882,205	2,743,380
Shares Outstanding	695	695	695	695	695
Number of Employees	6	8	8	8	8

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$448,036)	(\$141,025)	(\$214,572)	(\$278,079)	\$91,123	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	530,789	517,954	552,996	588,401	658,568	2
Changes in Deferred Income Taxes	(144,873)	(14,827)	(93,279)	(13,202)	14,652	3
Changes in Working Capital	302,937	(10,784)	(546,311)	(225,837)	(159,683)	4
Capitalized AFDC - Equity						5
Other	61,170	(120,838)	172,172	64,138	(68,197)	6
Total Non-Cash Items	750,023	371,505	85,578	413,500	445,340	7
Net Cash Provided From Operating Activities	<u>301,987</u>	<u>230,480</u>	<u>(128,994)</u>	<u>135,421</u>	<u>536,463</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(69,177)	(156,420)	(236,136)	(287,058)	(298,657)	9
Purchase of Other Investments						10
Sale of Other Investments		14,923	1,369	15,326		11
Other						12
Net Cash Provided From Investing Activities	<u>(69,177)</u>	<u>(141,497)</u>	<u>(234,767)</u>	<u>(271,732)</u>	<u>(298,657)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(170,347)	(162,116)	(154,268)	(146,728)	(139,645)	14
Common Stock						15
Preferred Stock			(1,500)			16
Short-Term Debt						17
Dividends Paid	(8,927)	(8,927)	(8,927)	(9,024)	(9,024)	18
Other Financing	(198,749)	44,164	691,087	(59,888)	(59,888)	19
Net Cash Provided From Financing Activities	<u>(378,023)</u>	<u>(126,879)</u>	<u>526,392</u>	<u>(215,640)</u>	<u>(208,557)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(145,213)	(37,896)	162,631	(351,951)	29,249	21
Cash & Equivalents at Beginning of Year	145,988	183,884	21,253	373,204	343,955	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$775</b>	<b>\$145,988</b>	<b>\$183,884</b>	<b>\$21,253</b>	<b>\$373,204</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,568,657	\$4,750,230	\$5,063,140	\$5,271,534	\$5,443,919
2 Access Lines	4,100	4,203	4,375	4,664	5,274
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$2,848,464	2,848,498	\$2,723,556	\$2,948,960	\$2,645,931
4 Depreciation and Amortization	529,340	516,505	551,547	586,952	657,119
5 Other Operations Expense	1,485,342	1,483,124	1,710,476	1,769,767	1,558,335
6 Total Operation Expenses	4,863,146	4,848,127	4,985,579	5,305,679	4,861,385
7 Income Taxes - Operating Taxes	(188,061)	(114,294)	(65,928)	(113,156)	120,133
8 Other Taxes - Operating Taxes	208,801	225,068	235,312	250,060	245,339
9 Capital Costs	(315,229)	(208,671)	(91,823)	(171,049)	217,062
10 Total	\$4,568,657	\$4,750,230	\$5,063,140	\$5,271,534	\$5,443,919
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	62.3	60.0	53.8	55.9	48.6
12 Depreciation and Amortization	11.6	10.9	10.9	11.1	12.1
13 Other Operations Expense	32.5	31.2	33.8	33.6	28.6
14 Income Taxes - Operating Taxes	(4.1)	(2.4)	(1.3)	(2.1)	2.2
15 Other Taxes - Operating Taxes	4.6	4.7	4.6	4.7	4.5
16 Capital Costs	(6.9)	(4.4)	(1.8)	(3.2)	4.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	694.75	677.73	622.53	632.28	501.69
19 Depreciation and Amortization	129.11	122.89	126.07	125.85	124.60
20 Other Operations Expense	362.28	352.87	390.97	379.45	295.47
21 Income Taxes - Operating Taxes	(45.87)	(27.19)	(15.07)	(24.26)	22.78
22 Other Taxes - Operating Taxes	50.93	53.55	53.79	53.61	46.52
23 Capital Costs	(76.89)	(49.65)	(20.99)	(36.67)	41.16
24 Total	1,114.31	1,130.20	1,157.29	1,130.26	1,032.22

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,550,894	\$2,581,128	\$2,682,806	\$2,694,237	\$2,680,135	1
Central Office Assets	3,031,328	3,101,951	3,083,661	2,960,840	3,191,478	2
Information Origination/Termination	26,734	26,734	26,734	25,806	25,806	3
Cable And Wire Facilities	7,337,871	7,291,419	7,198,004	7,120,227	7,043,261	4
Amortizable Assets						5
<b>Total Plant In Service</b>	12,946,827	13,001,232	12,991,205	12,801,110	12,940,680	6
Property Held For Future Use						7
Plant Under Construction	23,477	28,919	148,723	196,889	173,977	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	12,970,304	13,030,151	13,139,928	12,997,999	13,114,657	13
Less Acc. Prov. For Depreciation & Amort.	8,693,199	8,297,599	8,075,363	7,619,496	7,415,128	14
<b>Net Total Utility Plant</b>	\$4,277,105	\$4,732,552	\$5,064,565	\$5,378,503	\$5,699,529	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.21	1.48	3.26	1.76	2.06	16
Total Capitalization	\$3,128,984	\$3,955,043	\$4,222,946	\$4,702,044	\$5,182,353	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	18.2%	18.7%	21.4%	22.6%	23.5%	18
Preferred Stock	4.4%	3.5%	3.3%	3.0%	2.7%	19
Common Stock & Retained Earnings	72.2%	73.7%	71.5%	71.1%	71.0%	20
Short-Term Debt	5.2%	4.1%	3.8%	3.3%	2.8%	21
Pretax Coverage of Interest Expense	-14.07	-4.09	-3.95	-5.04	4.03	22
Com. Stock Dividends as a % of Earnings	-13.1%	-39.9%	-26.8%	-20.9%	72.9%	23
Return on Common Equity	-17.7%	-5.1%	-7.0%	-8.2%	2.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	436.5%	147.3%	-54.6%	47.2%	179.6%	25
CWIP as a % of Plant	0.2%	0.2%	1.1%	1.5%	1.3%	26

Current Assets	2,759,929	2,780,328	2,536,847	2,462,113	2,283,789
Current Liabilities	2,289,013	1,883,095	777,173	1,398,276	1,106,501
Total Capitalization	3,128,984	3,955,043	4,222,946	4,702,044	5,182,353
Long-Term Debt	569,571	739,918	902,033	1,064,069	1,218,363
Preferred Stock	137,350	137,350	137,350	138,850	138,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,259,982	2,915,694	3,021,482	3,344,812	3,678,393
Short-Term Debt	162,081	162,081	162,081	154,313	146,747
Pretax Income	(597,523)	(206,839)	(225,336)	(324,358)	291,464
Interest Expense	42,480	50,566	57,094	64,302	72,303
Common Dividends Paid	59,888	59,888	59,888	59,888	59,888
Net Income (Excl. Preferred Stock Dividends)	(456,963)	(149,952)	(223,499)	(287,103)	82,099
Internal Cash	301,987	230,480	(128,994)	135,420	536,463
Cash Outflows for Construction	(69,177)	(156,420)	(236,136)	(287,058)	(298,658)
CWIP	23,477	28,919	148,723	196,889	173,977
Total Plant	12,970,304	13,030,151	13,139,928	12,997,999	13,114,657
Shares Outstanding	74,860	74,860	74,860	74,860	74,860
Number of Employees	32	33	33	33	35

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$429,031	\$1,134,650	\$997,648	\$722,474	\$338,667	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	970,765	372,067	370,156	710,317	1,459,135	2
Changes in Deferred Income Taxes	(96,430)	164,574	202,089	176,540	(277,819)	3
Changes in Working Capital	(132,393)	927,224	(626,293)	1,472,650	332,632	4
Capitalized AFDC - Equity	0	0	0	0	0	5
Other	(601,968)	(2,054,535)	(793,212)	(1,042,901)	(19,941)	6
Total Non-Cash Items	139,974	(590,670)	(847,260)	1,316,606	1,494,007	7
Net Cash Provided From Operating Activities	<u>569,005</u>	<u>543,980</u>	<u>150,388</u>	<u>2,039,080</u>	<u>1,832,674</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(572,853)	(544,738)	(162,617)	(507,967)	238,951	9
Purchase of Other Investments	0	0	0	0	0	10
Sale of Other Investments	0	0	0	(1,574,279)	0	11
Other	0	0	0	0	0	12
Net Cash Provided From Investing Activities	<u>(572,853)</u>	<u>(544,738)</u>	<u>(162,617)</u>	<u>(2,082,246)</u>	<u>238,951</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock				(257,500)	(2,017,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing				299,000	(55,000)	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,500</u>	<u>(2,072,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(3,848)	(758)	(12,229)	(1,666)	(375)	21
Cash & Equivalents at Beginning of Year	4,447	5,205	17,435	19,101	19,476	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$599</b>	<b>\$4,447</b>	<b>\$5,206</b>	<b>\$17,435</b>	<b>\$19,101</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,433,135	\$6,387,322	\$6,341,152	\$6,513,761	\$7,568,047
2 Access Lines	7,099	7,666	8,198	8,820	10,014
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,298,468	1,364,972	\$1,545,343	\$1,596,909	\$1,808,323
4 Depreciation and Amortization	970,765	1,434,453	1,895,781	1,805,397	1,856,946
5 Other Operations Expense	2,848,905	3,088,243	2,888,258	3,096,925	3,325,253
6 Total Operation Expenses	5,118,139	5,887,668	6,329,382	6,499,231	6,990,522
7 Income Taxes - Operating Taxes	(88,286)	(29,043)	(621,743)	243,685	27,063
8 Other Taxes - Operating Taxes	418,613	463,633	549,868	458,928	473,935
9 Capital Costs	(15,331)	65,064	83,645	(688,083)	76,527
10 Total	\$5,433,135	\$6,387,322	\$6,341,152	\$6,513,761	\$7,568,047
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	23.9	21.4	24.4	24.5	23.9
12 Depreciation and Amortization	17.9	22.5	29.9	27.7	24.5
13 Other Operations Expense	52.4	48.3	45.5	47.5	43.9
14 Income Taxes - Operating Taxes	(1.6)	(0.5)	(9.8)	3.7	0.4
15 Other Taxes - Operating Taxes	7.7	7.3	8.7	7.0	6.3
16 Capital Costs	(0.3)	1.0	1.3	(10.6)	1.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	182.91	178.06	188.50	181.06	180.58
19 Depreciation and Amortization	136.75	187.12	231.25	204.69	185.43
20 Other Operations Expense	401.31	402.85	352.31	351.13	332.06
21 Income Taxes - Operating Taxes	(12.44)	(3.79)	(75.84)	27.63	2.70
22 Other Taxes - Operating Taxes	58.97	60.48	67.07	52.03	47.33
23 Capital Costs	(2.16)	8.49	10.20	(78.01)	7.64
24 Total	765.34	833.20	773.50	738.52	755.75

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$4,626,393	\$4,708,401	\$4,741,102	\$4,809,166	\$4,606,645	1
Central Office Assets	12,917,424	12,964,607	13,160,416	13,131,704	13,075,149	2
Information Origination/Termination	7,400	7,400	7,400	7,400	7,400	3
Cable And Wire Facilities	12,371,356	12,253,367	12,159,509	12,137,439	12,032,145	4
Amortizable Assets						5
<b>Total Plant In Service</b>	29,922,573	29,933,775	30,068,427	30,085,709	29,721,339	6
Property Held For Future Use						7
Plant Under Construction	233,221	135,000	118,309	7,595	57,018	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	30,155,794	30,068,775	30,186,736	30,093,303	29,778,357	13
Less Acc. Prov. For Depreciation & Amort.	21,550,071	21,065,138	21,355,773	21,054,799	20,553,791	14
<b>Net Total Utility Plant</b>	\$8,605,723	\$9,003,637	\$8,830,963	\$9,038,504	\$9,224,566	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.95	0.91	1.40	1.04	1.35	16
Total Capitalization	\$7,026,207	\$7,307,176	\$7,633,526	\$8,020,877	\$9,135,900	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%	97.2%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	2.8%	21
Pretax Coverage of Interest Expense	#DIV/0!	-1392.67	-116.83	-27.86	22.76	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	23
Return on Common Equity	6.1%	0.9%	-11.3%	-9.7%	3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	99.3%	99.9%	92.5%	401.4%	-767.0%	25
CWIP as a % of Plant	0.8%	0.4%	0.4%	0.0%	0.2%	26

Current Assets	1,225,105	1,942,884	2,617,171	3,141,486	2,383,738
Current Liabilities	1,294,374	2,131,543	1,875,114	3,007,165	1,770,007
Total Capitalization	7,026,207	7,307,176	7,633,526	8,020,877	9,135,900
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,026,207	7,307,176	7,633,526	8,020,877	8,878,400
Short-Term Debt					257,500
Pretax Income	385,888	455,404	(538,198)	(266,552)	387,271
Interest Expense		(327)	4,607	9,566	17,018
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	433,952	69,733	(887,159)	(505,959)	349,812
Internal Cash	569,005	543,980	150,384	2,039,080	1,832,674
Cash Outflows for Construction	(572,853)	(544,738)	(162,617)	(507,967)	238,951
CWIP	233,221	135,000	118,309	7,595	57,018
Total Plant	30,155,794	30,068,775	30,186,736	30,093,303	29,778,357
Shares Outstanding	100	100	100	100	100
Number of Employees	18	50	46	59	50

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$36,052)	(\$446,773)	(\$400,361)	\$369,196	(\$350,315)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	774,462	708,858	707,196	692,481	656,086	2
Changes in Deferred Income Taxes	(33,494)	(27,939)	128,076	129,412	42,434	3
Changes in Working Capital	(27,594)	(518,869)	(86,311)	(300,212)	(485,380)	4
Capitalized AFDC - Equity						5
Other	(258,027)	449,359	67,278	(586,605)	246,499	6
Total Non-Cash Items	455,347	611,409	816,239	(64,924)	459,639	7
Net Cash Provided From Operating Activities	<u>419,295</u>	<u>164,636</u>	<u>415,878</u>	<u>304,272</u>	<u>109,324</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(186,976)	(132,720)	(159,429)	(324,082)	(1,042,385)	9
Purchase of Other Investments						10
Sale of Other Investments	535	115,943	(23,821)	48,907	959,690	11
Other	15,287	26,387	38,240	20,056	17,334	12
Net Cash Provided From Investing Activities	<u>(171,154)</u>	<u>9,610</u>	<u>(145,010)</u>	<u>(255,119)</u>	<u>(65,361)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(140,272)	(133,464)	(164,745)	(200,540)	(190,830)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(119,029)	(35,139)	(107,092)	180,000	196,416	17
Dividends Paid	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(265,801)</u>	<u>(175,103)</u>	<u>(278,337)</u>	<u>(27,040)</u>	<u>(914)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(17,660)	(857)	(7,469)	22,113	43,049	21
Cash & Equivalents at Beginning of Year	78,789	79,646	87,115	65,002	21,953	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$61,129</b>	<b>\$78,789</b>	<b>\$79,646</b>	<b>\$87,115</b>	<b>\$65,002</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,417,421	\$2,604,165	\$2,869,205	\$2,948,851	\$2,951,726
2 Access Lines	2,707	2,861	2,973	3,117	3,412
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$969,583	\$1,008,106	\$1,048,800	\$1,111,772	\$1,070,490
4 Depreciation and Amortization	724,483	664,108	662,117	651,777	654,875
5 Other Operations Expense	546,240	816,761	774,740	961,380	788,440
6 Total Operation Expenses	2,240,306	2,488,975	2,485,657	2,724,929	2,513,805
7 Income Taxes - Operating Taxes	20,422	(5,108)	69,386	31,177	64,255
8 Other Taxes - Operating Taxes	130,466	141,410	152,487	155,134	160,113
9 Capital Costs	26,227	(21,112)	161,675	37,611	213,553
10 Total	\$2,417,421	\$2,604,165	\$2,869,205	\$2,948,851	\$2,951,726
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	40.1	38.7	36.6	37.7	36.3
12 Depreciation and Amortization	30.0	25.5	23.1	22.1	22.2
13 Other Operations Expense	22.6	31.4	27.0	32.6	26.7
14 Income Taxes - Operating Taxes	0.8	(0.2)	2.4	1.1	2.2
15 Other Taxes - Operating Taxes	5.4	5.4	5.3	5.3	5.4
16 Capital Costs	1.1	(0.8)	5.6	1.3	7.2
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	358.18	352.36	352.77	356.68	313.74
19 Depreciation and Amortization	267.63	232.12	222.71	209.10	191.93
20 Other Operations Expense	201.79	285.48	260.59	308.43	231.08
21 Income Taxes - Operating Taxes	7.54	(1.79)	23.34	10.00	18.83
22 Other Taxes - Operating Taxes	48.20	49.43	51.29	49.77	46.93
23 Capital Costs	9.69	(7.38)	54.38	12.07	62.59
24 Total	893.03	910.23	965.09	946.05	865.10

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,996,545	\$2,995,192	\$3,002,089	\$3,012,483	\$2,921,643	1
Central Office Assets	5,671,008	5,669,095	5,672,046	5,592,834	5,366,218	2
Information Origination/Termination	35,127	35,127	35,127	35,127	34,976	3
Cable And Wire Facilities	5,998,651	5,932,583	5,890,723	5,865,118	5,815,594	4
Amortizable Assets	140,687	140,687	140,687	140,687	140,687	5
<b>Total Plant In Service</b>	<b>14,842,018</b>	<b>14,772,684</b>	<b>14,740,672</b>	<b>14,646,249</b>	<b>14,279,118</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	44,885	8,200	19,823	51,781	245,036	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	35,834	35,834	35,834	35,834	35,834	11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>14,922,737</b>	<b>14,816,718</b>	<b>14,796,329</b>	<b>14,733,864</b>	<b>14,559,988</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	11,303,711	10,594,616	9,962,878	9,336,635	8,740,535	14
<b>Net Total Utility Plant</b>	<b>\$3,619,026</b>	<b>\$4,222,102</b>	<b>\$4,833,451</b>	<b>\$5,397,229</b>	<b>\$5,819,453</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	7.44	3.96	3.87	3.87	3.21	16
Total Capitalization	\$6,003,446	\$6,305,602	\$6,936,318	\$7,593,350	\$7,285,528	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.6%	2.9%	4.7%	6.0%	8.5%	18
Preferred Stock	2.2%	2.1%	1.9%	1.7%	1.8%	19
Common Stock & Retained Earnings	92.0%	88.3%	86.9%	84.4%	83.5%	20
Short-Term Debt	4.2%	6.8%	6.6%	7.8%	6.2%	21
Pretax Coverage of Interest Expense	-0.75	-14.77	-6.16	6.48	-1.85	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%	-7.8%	-6.5%	5.8%	-5.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	224.3%	124.0%	260.9%	93.9%	10.5%	25
CWIP as a % of Plant	0.3%	0.1%	0.1%	0.4%	1.7%	26

Current Assets	4,176,949	4,594,373	3,908,917	3,595,418	3,648,820
Current Liabilities	561,149	1,161,402	1,009,292	928,929	1,136,807
Total Capitalization	6,003,446	6,305,602	6,936,318	7,593,350	7,285,528
Long-Term Debt	96,441	182,621	322,906	456,362	621,098
Preferred Stock	130,000	130,000	130,000	130,000	130,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,522,089	5,564,944	6,027,057	6,412,252	6,083,890
Short-Term Debt	254,916	428,037	456,355	594,736	450,540
Pretax Income	(6,404)	(418,290)	(292,156)	463,162	(178,648)
Interest Expense	8,557	28,321	47,458	71,478	96,324
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(42,552)	(453,273)	(406,861)	362,696	(356,815)
Internal Cash	419,295	164,636	415,878	304,272	109,324
Cash Outflows for Construction	(186,976)	(132,720)	(159,429)	(324,082)	(1,042,385)
CWIP	44,885	8,200	19,823	51,781	245,036
Total Plant	14,922,737	14,816,718	14,796,329	14,733,864	14,559,988
Shares Outstanding	140	140	140	140	140
Number of Employees	15	17	17	17	17

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$1,192)	\$126,898	\$159,574	\$157,791	(\$72,742)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	460,912	503,498	459,608	467,715	558,193	2
Changes in Deferred Income Taxes	(68,188)	(42,051)	(275,008)	(132,428)	(25,572)	3
Changes in Working Capital	(152,870)	320,154	(127,636)	(126,017)	(844,021)	4
Capitalized AFDC - Equity						5
Other	(12,527)	(174,047)	(127,654)	(191,874)	245,711	6
Total Non-Cash Items	227,327	607,554	(70,691)	17,396	(65,689)	7
Net Cash Provided From Operating Activities	<u>226,135</u>	<u>734,453</u>	<u>88,883</u>	<u>175,187</u>	<u>(138,430)</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(221,046)	(458,576)	(460,165)	(277,255)	(594,418)	9
Purchase of Other Investments				(9,259)	(255,971)	10
Sale of Other Investments	5,489	46,829	5,250		74,990	11
Other	(45,351)	(54,218)	178,808	31,927	48,678	12
Net Cash Provided From Investing Activities	<u>(260,908)</u>	<u>(465,965)</u>	<u>(276,107)</u>	<u>(254,588)</u>	<u>(726,721)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(227,888)	(217,712)	177,000	(27,124)	604,904	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	203,824	(105,996)	(433)	124,262		17
Dividends Paid			(4,000)	(101,000)	(105,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(24,064)</u>	<u>(323,708)</u>	<u>172,567</u>	<u>(3,862)</u>	<u>499,904</u>	20
Net Increase (Decrease) in Cash & Equivalents	(58,837)	(55,220)	(14,656)	(83,263)	(365,247)	21
Cash & Equivalents at Beginning of Year	113,496	168,716	183,372	266,635	631,882	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$54,659</b>	<b>\$113,496</b>	<b>\$168,716</b>	<b>\$183,372</b>	<b>\$266,635</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,624,369	\$1,840,455	\$2,088,021	\$2,342,709	\$2,535,700
2 Access Lines	917	1,040	1,564	1,624	1,815
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$750,750	\$771,393	\$860,400	\$1,027,277	\$1,255,495
4 Depreciation and Amortization	408,809	451,396	454,800	462,908	553,354
5 Other Operations Expense	572,033	636,610	834,478	696,409	770,597
6 Total Operation Expenses	173,259	1,859,398	2,149,678	2,186,595	2,579,446
7 Income Taxes - Operating Taxes	(149,632)	(82,192)	(134,030)	(50,939)	(130,655)
8 Other Taxes - Operating Taxes	95,954	154,190	124,650	121,120	145,915
9 Capital Costs	1,504,787	(90,941)	(52,277)	85,933	(59,007)
10 Total	\$1,624,369	\$1,840,455	\$2,088,021	\$2,342,709	\$2,535,700
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	46.2	41.9	41.2	43.8	49.5
12 Depreciation and Amortization	25.2	24.5	21.8	19.8	21.8
13 Other Operations Expense	35.2	34.6	40.0	29.7	30.4
14 Income Taxes - Operating Taxes	(9.2)	(4.5)	(6.4)	(2.2)	(5.2)
15 Other Taxes - Operating Taxes	5.9	8.4	6.0	5.2	5.8
16 Capital Costs	92.6	(4.9)	(2.5)	3.7	(2.3)
17 Total	195.9	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	818.70	741.72	550.13	632.56	691.73
19 Depreciation and Amortization	445.81	434.03	290.79	285.04	304.88
20 Other Operations Expense	623.81	612.13	533.55	428.82	424.57
21 Income Taxes - Operating Taxes	(163.18)	(79.03)	(85.70)	(31.37)	(71.99)
22 Other Taxes - Operating Taxes	104.64	148.26	79.70	74.58	80.39
23 Capital Costs	1,640.99	(87.44)	(33.43)	52.91	(32.51)
24 Total	3,470.78	1,769.67	1,335.05	1,442.56	1,397.08

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,995,323	\$1,983,368	\$1,977,781	\$2,083,261	\$2,277,981	1
Central Office Assets	2,761,768	2,711,264	2,395,508	2,079,458	3,049,328	2
Information Origination/Termination	107,830	107,830	107,830	107,830	107,830	3
Cable And Wire Facilities	4,526,384	4,490,833	4,383,283	4,282,594	5,045,666	4
Amortizable Assets	214	214	214	214	214	5
<b>Total Plant In Service</b>	9,391,519	9,293,509	8,864,616	8,553,358	10,481,019	6
Property Held For Future Use						7
Plant Under Construction	34,471	13,429	43,311	73,299	47,339	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	9,425,990	9,306,939	8,907,927	8,626,657	10,528,358	13
Less Acc. Prov. For Depreciation & Amort.	5,667,980	5,308,379	4,813,494	4,534,233	6,397,427	14
<b>Net Total Utility Plant</b>	\$3,758,010	\$3,998,560	\$4,094,433	\$4,092,423	\$4,130,930	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	68.79	-26.19	39.33	29.20	11.96	16
Total Capitalization	\$8,537,939	\$8,564,182	\$8,761,244	\$8,547,372	\$8,271,675	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	34.6%	37.2%	38.8%	37.7%	39.3%	18
Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.3%	19
Common Stock & Retained Earnings	62.5%	62.4%	59.5%	60.6%	60.4%	20
Short-Term Debt	2.6%	0.2%	1.4%	1.5%		21
Pretax Coverage of Interest Expense	0.14	1.32	1.18	1.48	0.25	22
Com. Stock Dividends as a % of Earnings				2.5%	-144.3%	23
Return on Common Equity	0.0%	2.4%	3.1%	3.1%	-1.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	102.3%	160.2%	19.3%	63.2%	-23.3%	25
CWIP as a % of Plant	0.4%	0.1%	0.5%	0.8%	0.4%	26

Current Assets	1,456,480	1,416,711	1,779,244	1,680,482	1,776,665
Current Liabilities	21,173	(54,089)	45,233	57,544	148,505
Total Capitalization	8,537,939	8,564,182	8,761,244	8,547,372	8,271,675
Long-Term Debt	2,954,338	3,182,227	3,399,939	3,222,938	3,250,063
Preferred Stock	23,000	23,000	23,000	23,000	23,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,338,563	5,340,741	5,214,096	5,176,792	4,998,612
Short-Term Debt	222,038	18,213	124,209	124,642	
Pretax Income	22,033	234,134	217,350	355,674	67,502
Interest Expense	161,793	177,564	184,171	239,674	274,604
Common Dividends Paid				4,000	105,000
Net Income (Excl. Preferred Stock Dividends)	(1,192)	126,898	159,574	157,791	(72,742)
Internal Cash	226,135	734,453	88,883	175,187	(138,430)
Cash Outflows for Construction	(221,046)	(458,576)	(460,165)	(277,255)	(594,418)
CWIP	34,471	13,429	43,311	73,299	47,339
Total Plant	9,425,992	9,306,939	8,907,927	8,626,657	10,528,358
Shares Outstanding	420	420	420	420	420
Number of Employees	11	24	26	28	26

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$32,540,890	\$37,390,680	\$51,656,868	\$57,363,014	\$64,981,424	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	40,400,175	39,334,183	38,865,922	44,313,834	52,523,570	2
Changes in Deferred Income Taxes	4,047,708	4,047,708	5,363,627	1,285,005	450,010	3
Changes in Working Capital	5,249,892	3,775,839	2,427,491	4,473,421	(797,555)	4
Capitalized AFDC - Equity						5
Other	601,690	1,803,256	(531,074)	(590,289)	741,644	6
Total Non-Cash Items	50,299,465	48,960,985	46,125,966	49,481,971	52,917,669	7
Net Cash Provided From Operating Activities	<u>82,840,355</u>	<u>86,351,665</u>	<u>97,782,834</u>	<u>106,844,986</u>	<u>117,899,093</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(13,714,699)	(17,583,549)	(17,538,747)	(20,223,711)	(19,435,658)	9
Purchase of Other Investments	180,919,372	181,528,636	59,192,667	(25,939,103)	(23,586,542)	10
Sale of Other Investments						11
Other						12
Net Cash Provided From Investing Activities	<u>167,204,673</u>	<u>163,945,087</u>	<u>41,653,920</u>	<u>(46,162,814)</u>	<u>(43,022,200)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(250,000,000)	(250,000,000)	(140,000,000)	(60,000,000)	(75,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(250,000,000)</u>	<u>(250,000,000)</u>	<u>(140,000,000)</u>	<u>(60,000,000)</u>	<u>(75,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	45,028	296,752	(563,246)	682,171	(123,107)	21
Cash & Equivalents at Beginning of Year	(43,783)	(340,535)	222,711	(459,460)	(336,353)	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,245</b>	<b>(\$43,783)</b>	<b>(\$340,535)</b>	<b>\$222,711</b>	<b>(\$459,460)</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$195,320,201	\$205,178,874	\$220,241,142	\$233,076,020	\$246,878,241
2 Access Lines	198,171	202,329	215,616	231,033	251,498
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$20,786,312	\$21,812,395	\$20,653,500	\$19,199,146	\$18,870,351
4 Depreciation and Amortization	40,400,175	39,334,183	38,865,922	44,313,834	52,523,570
5 Other Operations Expense	70,610,329	71,532,305	61,685,032	60,872,589	58,430,931
6 Total Operation Expenses	131,796,816	132,678,883	121,204,454	124,385,569	129,824,852
7 Income Taxes - Operating Taxes	10,245,354	11,713,801	21,127,099	24,166,659	29,310,512
8 Other Taxes - Operating Taxes	9,127,361	10,569,920	12,843,386	14,296,918	12,402,373
9 Capital Costs	44,150,671	50,216,270	65,066,203	70,226,875	75,340,503
10 Total	\$195,320,201	\$205,178,874	\$220,241,142	\$233,076,020	\$246,878,241
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	10.6	10.6	9.4	8.2	7.6
12 Depreciation and Amortization	20.7	19.2	17.6	19.0	21.3
13 Other Operations Expense	36.2	34.9	28.0	26.1	23.7
14 Income Taxes - Operating Taxes	5.2	5.7	9.6	10.4	11.9
15 Other Taxes - Operating Taxes	4.7	5.2	5.8	6.1	5.0
16 Capital Costs	22.6	24.5	29.5	30.1	30.5
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	104.89	107.81	95.79	83.10	75.03
19 Depreciation and Amortization	203.87	194.41	180.26	191.81	208.84
20 Other Operations Expense	356.31	353.54	286.09	263.48	232.33
21 Income Taxes - Operating Taxes	51.70	57.89	97.98	104.60	116.54
22 Other Taxes - Operating Taxes	46.06	52.24	59.57	61.88	49.31
23 Capital Costs	222.79	248.19	301.77	303.97	299.57
24 Total	985.61	1,014.09	1,021.45	1,008.84	981.63

**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,**

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$72,224,348	\$69,942,722	\$68,934,571	\$68,366,992	\$69,235,530	1
Central Office Assets	416,602,900	410,300,131	402,782,446	394,893,340	384,734,782	2
Information Origination/Termination	16,580,951	16,386,214	16,173,000	15,972,113	15,631,827	3
Cable And Wire Facilities	503,186,182	494,164,717	484,857,670	474,467,502	462,769,985	4
Amortizable Assets	3,981,012	3,981,012	3,981,012	3,981,012	3,899,746	5
<b>Total Plant In Service</b>	1,012,575,393	994,774,796	976,728,699	957,680,959	936,271,870	6
Property Held For Future Use						7
Plant Under Construction	9,723,559	12,604,470	11,245,839	12,103,166	15,226,358	8
Tel. Acquisition	142,404,998	142,404,998	142,404,998	142,404,998	142,404,998	9
Other Plant						10
Nonoperating Plant	37,599	37,599	37,599	37,599	38,251	11
Goodwill						12
<b>Total Telecommunications Plant</b>	1,164,741,549	1,149,821,863	1,130,417,135	1,112,226,722	1,093,941,477	13
Less Acc. Prov. For Depreciation & Amort.	894,580,852	852,975,688	811,820,320	772,302,676	729,927,311	14
<b>Net Total Utility Plant</b>	\$270,160,697	\$296,846,175	\$318,596,815	\$339,924,046	\$364,014,166	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.08	1.30	1.46	1.54	1.66	16
Total Capitalization	(\$201,875,912)	\$15,583,195	\$228,192,518	\$316,535,650	\$319,172,636	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	560406.43	488576.07	1549527.41	394930.81	9476.06	22
Com. Stock Dividends as a % of Earnings	768.3%	668.6%	271.0%	104.6%	-115.4%	23
Return on Common Equity	-34.9%	30.7%	19.0%	18.0%	20.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	787.2%	651.6%	704.8%	653.6%	714.2%	25
CWIP as a % of Plant	0.8%	1.1%	1.0%	1.1%	1.4%	26

**Notes:**

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

Current Assets	71,419,078	45,930,988	48,074,730	51,807,377	55,167,216
Current Liabilities	66,214,237	35,203,457	32,873,453	33,647,809	33,166,044
Total Capitalization	(201,875,912)	15,583,195	228,192,518	316,535,650	319,172,636
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(201,875,912)	15,583,195	228,192,518	316,535,650	319,172,636
Short-Term Debt					
Pretax Income	48,755,359	56,186,248	80,575,425	88,859,433	98,988,630
Interest Expense	87	115	52	225	10,446
Common Dividends Paid	250,000,000	250,000,000	140,000,000	60,000,000	(75,000,000)
Net Income (Excl. Preferred Stock Dividends)	32,540,897	37,390,679	51,656,865	57,363,013	64,981,424
Internal Cash	107,963,349	114,579,920	123,612,697	132,190,921	138,805,788
Cash Outflows for Construction	(13,714,699)	(17,583,549)	(17,538,747)	(20,223,711)	(19,435,658)
CWIP	9,723,559	12,604,470	11,245,839	12,103,166	15,226,358
Total Plant	1,164,741,549	1,149,821,863	1,130,417,135	1,112,226,722	1,093,941,477
Shares Outstanding					
Number of Employees	272	271	277	280	277

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$20,154	(\$187,425)	(\$219,326)	(\$290,800)	(\$334,790)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	302,342	300,334	291,662	293,429	250,138	2
Changes in Deferred Income Taxes	603	2,990	(76,534)	(13,551)	436	3
Changes in Working Capital	(19,672)	(5,541)	184,558	20,447	(73,249)	4
Capitalized AFDC - Equity					(46,507)	5
Other	38,657	67,312	42,993	198,390	228,378	6
Total Non-Cash Items	321,930	365,095	442,679	498,715	359,196	7
Net Cash Provided From Operating Activities	<u>342,084</u>	<u>177,670</u>	<u>223,353</u>	<u>207,915</u>	<u>24,406</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(37,027)	(15,349)	(106,719)	(95,118)	(134,997)	9
Purchase of Other Investments				(38,189)	33,844	10
Sale of Other Investments	8,165	(123)		18,635	23,492	11
Other						12
Net Cash Provided From Investing Activities	<u>(28,862)</u>	<u>(15,472)</u>	<u>(106,719)</u>	<u>(114,672)</u>	<u>(77,661)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(190,050)	(157,249)	(160,766)	(152,975)	(145,516)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(1,816)	(541)	(633)	(18,303)	(32,069)	17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(191,866)</u>	<u>(157,790)</u>	<u>(161,399)</u>	<u>(171,278)</u>	<u>(177,585)</u>	20
Net Increase (Decrease) in Cash & Equivalents	121,356	4,408	(44,765)	(78,035)	(230,840)	21
Cash & Equivalents at Beginning of Year	102,638	98,230	142,995	221,030	451,870	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$223,994</b>	<b>\$102,638</b>	<b>\$98,230</b>	<b>\$142,995</b>	<b>\$221,030</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,581,295	\$1,536,275	\$1,415,870	\$1,749,536	\$1,803,883
2 Access Lines	780	819	862	883	1,043
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$592,794	\$700,298	\$740,607	\$838,595	\$848,457
4 Depreciation and Amortization	301,905	299,899	291,226	292,991	250,138
5 Other Operations Expense	486,605	492,250	461,630	445,367	556,026
6 Total Operation Expenses	1,381,304	1,492,447	1,493,462	1,576,954	1,654,621
7 Income Taxes - Operating Taxes	2,578	3,006	(71,421)	(5,528)	(39,807)
8 Other Taxes - Operating Taxes	62,515	69,237	72,289	94,215	103,477
9 Capital Costs	134,898	(28,415)	(78,460)	83,895	85,591
10 Total	\$1,581,295	\$1,536,275	\$1,415,870	\$1,749,536	\$1,803,883
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	37.5	45.6	52.3	47.9	47.0
12 Depreciation and Amortization	19.1	19.5	20.6	16.7	13.9
13 Other Operations Expense	30.8	32.0	32.6	25.5	30.8
14 Income Taxes - Operating Taxes	0.2	0.2	(5.0)	(0.3)	(2.2)
15 Other Taxes - Operating Taxes	4.0	4.5	5.1	5.4	5.7
16 Capital Costs	8.5	(1.8)	(5.5)	4.8	4.7
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	759.99	855.07	859.17	949.71	813.48
19 Depreciation and Amortization	387.06	366.18	337.85	331.81	239.83
20 Other Operations Expense	623.85	601.04	535.53	504.38	533.10
21 Income Taxes - Operating Taxes	3.31	3.67	(82.85)	(6.26)	(38.17)
22 Other Taxes - Operating Taxes	80.15	84.54	83.86	106.70	99.21
23 Capital Costs	172.95	(34.70)	(91.02)	95.01	82.06
24 Total	2,027.30	1,875.79	1,642.54	1,981.35	1,729.51

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,558,669	\$1,554,251	\$1,554,251	\$1,565,826	\$1,749,284	1
Central Office Assets	2,038,591	2,034,574	2,073,352	2,023,498	1,955,647	2
Information Origination/Termination	51,634	51,634	51,634	51,634	51,634	3
Cable And Wire Facilities	3,371,069	3,357,009	3,258,916	3,133,465	3,133,465	4
Amortizable Assets						5
<b>Total Plant In Service</b>	7,019,963	6,997,468	6,938,153	6,774,423	6,890,030	6
Property Held For Future Use						7
Plant Under Construction	89,632	78,059	114,570	150,869	200,617	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	7,109,595	7,075,527	7,052,723	6,925,292	7,090,647	13
Less Acc. Prov. For Depreciation & Amort.	4,790,957	4,484,663	4,193,212	3,919,591	3,811,220	14
<b>Net Total Utility Plant</b>	\$2,318,638	\$2,590,864	\$2,859,510	\$3,005,701	\$3,279,427	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.32	1.23	1.55	3.33	4.13	16
Total Capitalization	\$2,810,098	\$2,978,394	\$3,314,173	\$3,689,124	\$4,171,943	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	102.5%	103.0%	97.3%	91.8%	84.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	-2.8%	-3.4%	2.3%	7.9%	14.4%	20
Short-Term Debt	0.3%	0.4%	0.3%	0.3%	0.7%	21
Pretax Coverage of Interest Expense	1.13	-0.11	-0.70	-0.62	-0.97	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-22.6%	1546.1%	-119.4%	-65.2%	-44.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	923.9%	1157.5%	209.3%	218.6%	18.1%	25
CWIP as a % of Plant	1.3%	1.1%	1.6%	2.2%	2.8%	26

Current Assets	685,217	547,008	532,257	652,043	649,601
Current Liabilities	520,183	443,035	344,236	195,578	157,430
Total Capitalization	2,810,098	2,978,394	3,314,173	3,689,124	4,171,943
Long-Term Debt	2,878,967	3,069,017	3,226,266	3,387,032	3,540,007
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(77,548)	(101,117)	76,872	290,423	601,964
Short-Term Debt	8,679	10,495	11,036	11,669	29,972
Pretax Income	177,591	(18,467)	(121,336)	(114,800)	(185,151)
Interest Expense	156,834	165,968	174,525	183,761	190,370
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	20,154	(187,425)	(219,326)	(290,800)	(334,790)
Internal Cash	342,084	177,670	223,353	207,915	24,406
Cash Outflows for Construction	(37,027)	(15,349)	(106,719)	(95,118)	(134,997)
CWIP	89,632	78,059	114,570	150,869	200,617
Total Plant	7,109,596	7,075,527	7,052,723	6,925,292	7,090,646
Shares Outstanding	243	243	243	243	243
Number of Employees	9	12	12	12	12

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$167,141	\$154,219	\$359,140	\$528,662	\$212,043	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	840,022	792,019	641,813	823,928	741,306	2
Changes in Deferred Income Taxes	118,077	94,001	87,494	82,806	(69,326)	3
Changes in Working Capital	(416,498)	(13,034)	(952,620)	990,339	(441,161)	4
Capitalized AFDC - Equity						5
Other	139,835	(146,946)	28,963	(102,497)	17,781	6
Total Non-Cash Items	681,436	726,040	(194,350)	1,794,576	248,600	7
Net Cash Provided From Operating Activities	<u>848,577</u>	<u>880,259</u>	<u>164,790</u>	<u>2,323,238</u>	<u>460,643</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(574,635)	(2,193,300)	(1,198,336)	(1,718,856)	(1,193,500)	9
Purchase of Other Investments	(10,506)	(10,506)	(10,506)	(12,578)	(36,100)	10
Sale of Other Investments	30,947	2,027	13,465	403,724	4,106	11
Other						12
Net Cash Provided From Investing Activities	<u>(554,194)</u>	<u>(2,201,779)</u>	<u>(1,195,377)</u>	<u>(1,327,710)</u>	<u>(1,225,494)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(203,680)	(188,950)	(175,504)	(162,848)	(151,201)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(138,600)	(138,600)	(138,600)	(138,600)	(138,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(342,280)</u>	<u>(327,550)</u>	<u>(314,104)</u>	<u>(301,448)</u>	<u>(289,801)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(47,897)	(1,649,070)	(1,344,691)	694,080	(1,054,652)	21
Cash & Equivalents at Beginning of Year	960,142	2,609,211	3,953,902	3,259,823	4,314,475	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$912,245</b>	<b>\$960,142</b>	<b>\$2,609,211</b>	<b>\$3,953,902</b>	<b>\$3,259,823</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$3,870,786	\$3,573,471	\$3,660,006	\$3,771,111	\$3,669,661
2 Access Lines	3,463	3,676	3,920	4,205	4,171
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,392,350	\$1,293,280	\$1,218,220	\$1,366,365	\$1,316,360
4 Depreciation and Amortization	839,283	791,281	641,075	732,581	741,306
5 Other Operations Expense	1,052,265	1,114,292	1,029,488	1,307,155	1,207,139
6 Total Operation Expenses	3,283,898	3,198,852	2,888,782	3,406,101	3,264,804
7 Income Taxes - Operating Taxes	103,288	72,534	201,889	59,246	43,557
8 Other Taxes - Operating Taxes	244,549	217,647	207,138	190,287	206,769
9 Capital Costs	239,051	84,437	362,197	115,476	154,531
10 Total	\$3,870,786	\$3,573,471	\$3,660,006	\$3,771,111	\$3,669,661
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	36.0	36.2	33.3	36.2	35.9
12 Depreciation and Amortization	21.7	22.1	17.5	19.4	20.2
13 Other Operations Expense	27.2	31.2	28.1	34.7	32.9
14 Income Taxes - Operating Taxes	2.7	2.0	5.5	1.6	1.2
15 Other Taxes - Operating Taxes	6.3	6.1	5.7	5.0	5.6
16 Capital Costs	6.2	2.4	9.9	3.1	4.2
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	402.06	351.82	310.77	324.94	315.60
19 Depreciation and Amortization	242.36	215.26	163.54	174.22	177.73
20 Other Operations Expense	303.86	303.13	262.62	310.86	289.41
21 Income Taxes - Operating Taxes	29.83	19.73	51.50	14.09	10.44
22 Other Taxes - Operating Taxes	70.62	59.21	52.84	45.25	49.57
23 Capital Costs	69.03	22.97	92.40	27.46	37.05
24 Total	1,117.76	972.11	933.67	896.82	879.80

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,431,008	\$2,516,714	\$2,544,425	\$2,338,565	\$2,323,787	1
Central Office Assets	4,511,604	4,521,366	4,748,452	4,394,127	4,542,998	2
Information Origination/Termination	21,198	21,322	45,079	45,413	46,376	3
Cable And Wire Facilities	10,978,825	10,617,233	8,726,889	8,419,104	7,167,620	4
Amortizable Assets						5
<b>Total Plant In Service</b>	17,942,635	17,676,635	16,064,845	15,197,209	14,080,781	6
Property Held For Future Use						7
Plant Under Construction	27,256	53,080	250,925	176,798	88,743	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	17,969,891	17,729,715	16,315,770	15,374,007	14,169,524	13
Less Acc. Prov. For Depreciation & Amort.	9,629,730	8,996,691	8,833,557	8,423,174	8,067,525	14
<b>Net Total Utility Plant</b>	\$8,340,161	\$8,733,024	\$7,482,213	\$6,950,833	\$6,101,999	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	7.87	8.35	7.92	4.46	14.12	16
Total Capitalization	\$9,317,705	\$9,492,844	\$10,720,397	\$10,720,398	\$9,393,923	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.2%	3.3%	5.2%	7.1%	9.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.8%	96.7%	94.8%	92.9%	91.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-8.27	-13.74	31.38	16.53	5.05	22
Com. Stock Dividends as a % of Earnings	82.9%	89.9%	38.6%	26.2%	65.4%	23
Return on Common Equity	1.8%	1.7%	4.0%	6.0%	2.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	147.7%	40.1%	13.8%	135.2%	38.6%	25
CWIP as a % of Plant	0.2%	0.3%	1.5%	1.1%	0.6%	26

Current Assets	2,936,859	2,625,567	4,433,094	5,545,248	4,826,009
Current Liabilities	372,979	314,414	559,936	1,244,168	341,808
Total Capitalization	9,317,705	9,492,844	9,666,175	9,621,135	9,393,923
Long-Term Debt	111,849	315,529	504,479	679,981	842,829
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,205,856	9,177,315	9,161,696	8,941,155	8,551,094
Short-Term Debt					
Pretax Income	254,442	225,561	580,224	633,423	375,038
Interest Expense	(30,777)	(16,413)	18,492	38,312	74,322
Common Dividends Paid	138,600	138,600	138,600	138,600	138,600
Net Income (Excl. Preferred Stock Dividends)	167,141	154,219	359,140	528,662	212,043
Internal Cash	848,577	880,260	164,790	2,323,237	460,644
Cash Outflows for Construction	(574,635)	(2,193,300)	(1,198,336)	(1,718,856)	(1,193,500)
CWIP	27,256	53,080	250,925	176,798	88,743
Total Plant	17,969,891	17,729,715	16,315,770	15,374,007	14,169,524
Shares Outstanding	39,600	39,600	39,600	39600	39600
Number of Employees	24	23	21	22	23

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$363,519	(\$186,931)	\$258,001	\$203,590	\$238,982	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	938,014	756,914	1,044,456	1,247,144	1,388,219	2
Changes in Deferred Income Taxes	(17,744)	129,146	(68,932)	(47,916)	(157,044)	3
Changes in Working Capital	182,325	59,117	(62,594)	(67,670)	258,210	4
Capitalized AFDC - Equity						5
Other	10,665	(98,332)	(76,364)	81,434	(183,445)	6
Total Non-Cash Items	1,113,260	846,845	836,566	1,212,992	1,305,940	7
Net Cash Provided From Operating Activities	<u>1,476,779</u>	<u>659,914</u>	<u>1,094,567</u>	<u>1,416,582</u>	<u>1,544,922</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(466,799)	(1,142,150)	(355,909)	(849,155)	(1,029,637)	9
Purchase of Other Investments						10
Sale of Other Investments	(13,368)	321,348	(10,758)	16,956	(92,457)	11
Other						12
Net Cash Provided From Investing Activities	<u>(480,167)</u>	<u>(820,802)</u>	<u>(366,667)</u>	<u>(832,199)</u>	<u>(1,122,094)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt			(200,000)			17
Dividends Paid			(14,067)	(286,000)		18
Other Financing	(6,072)	(14,846)		32,296	503,389	19
Net Cash Provided From Financing Activities	<u>(6,072)</u>	<u>(14,846)</u>	<u>(214,067)</u>	<u>(253,704)</u>	<u>503,389</u>	20
Net Increase (Decrease) in Cash & Equivalents	990,540	(175,734)	513,833	330,679	926,217	21
Cash & Equivalents at Beginning of Year	1,732,959	1,908,693	1,394,860	1,064,181	137,964	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$2,723,499</b>	<b>\$1,732,959</b>	<b>\$1,908,693</b>	<b>\$1,394,860</b>	<b>\$1,064,181</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,669,309	\$5,501,696	\$5,996,248	\$6,112,484	\$6,251,493
2 Access Lines	6,579	6,953	7,287	7,779	8,336
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$2,045,390	\$1,965,661	\$1,251,662	\$1,118,090	\$1,227,721
4 Depreciation and Amortization	938,015	756,914	1,044,456	1,247,144	1,388,220
5 Other Operations Expense	2,497,758	2,429,404	3,168,459	3,262,300	3,240,411
6 Total Operation Expenses	5,481,163	5,151,979	5,464,577	5,627,534	5,856,352
7 Income Taxes - Operating Taxes	(38,433)	16,694	80,278	39,276	(13,007)
8 Other Taxes - Operating Taxes	194,492	195,720	195,708	260,476	185,664
9 Capital Costs	32,087	137,303	255,685	185,198	222,484
10 Total	\$5,669,309	\$5,501,696	\$5,996,248	\$6,112,484	\$6,251,493
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	36.1	35.7	20.9	18.3	19.6
12 Depreciation and Amortization	16.5	13.8	17.4	20.4	22.2
13 Other Operations Expense	44.1	44.2	52.8	53.4	51.8
14 Income Taxes - Operating Taxes	(0.7)	0.3	1.3	0.6	(0.2)
15 Other Taxes - Operating Taxes	3.4	3.6	3.3	4.3	3.0
16 Capital Costs	0.6	2.5	4.3	3.0	3.6
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	310.90	282.71	171.77	143.73	147.28
19 Depreciation and Amortization	142.58	108.86	143.33	160.32	166.53
20 Other Operations Expense	379.66	349.40	434.81	419.37	388.72
21 Income Taxes - Operating Taxes	(5.84)	2.40	11.02	5.05	(1.56)
22 Other Taxes - Operating Taxes	29.56	28.15	26.86	33.48	22.27
23 Capital Costs	4.88	19.75	35.09	23.81	26.69
24 Total	861.73	791.27	822.87	785.77	749.94

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,433,764	\$1,437,112	\$1,715,528	\$1,897,849	\$1,872,802	1
Central Office Assets	9,441,920	10,413,815	10,585,487	10,348,358	9,980,665	2
Information Origination/Termination	32,949	32,949	1,854	7,446	11,346	3
Cable And Wire Facilities	11,502,293	11,409,017	11,147,126	11,073,434	10,779,798	4
Amortizable Assets	125,431	218,308	238,960	283,099	301,744	5
<b>Total Plant In Service</b>	<b>22,536,357</b>	<b>23,511,201</b>	<b>23,688,955</b>	<b>23,610,186</b>	<b>22,946,355</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	150,422	94,450	56,139	204,148	336,897	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>22,686,779</b>	<b>23,605,651</b>	<b>23,745,094</b>	<b>23,814,334</b>	<b>23,283,252</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	15,670,568	16,131,593	16,334,925	15,726,378	14,780,352	14
<b>Net Total Utility Plant</b>	<b>\$7,016,211</b>	<b>\$7,474,058</b>	<b>\$7,410,168</b>	<b>\$8,087,956</b>	<b>\$8,502,900</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	2.96	2.80	2.75	2.57	2.17	16
Total Capitalization	\$7,741,006	\$7,417,031	\$7,619,784	\$7,490,353	\$7,540,466	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.1%	0.2%	0.1%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	99.9%	99.7%	99.5%	99.8%	20
Short-Term Debt	0.0%	0.1%	0.2%	0.2%	0.1%	21
Pretax Coverage of Interest Expense	1425.73	-472.17	214.90	130.47	221.41	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	77.5%	140.5%	0.0%	23
Return on Common Equity	4.8%	-2.5%	3.4%	2.7%	3.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	316.4%	57.8%	307.5%	166.8%	150.0%	25
CWIP as a % of Plant	0.7%	0.4%	0.2%	0.9%	1.4%	26

Current Assets	3,912,743	2,936,334	3,366,245	2,588,763	2,615,756
Current Liabilities	1,322,385	1,050,522	1,224,118	1,006,183	1,204,611
Total Capitalization	7,741,006	7,417,031	7,619,784	7,490,353	7,540,466
Long-Term Debt		262	6,334	17,772	4,201
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,740,744	7,410,697	7,598,604	7,455,106	7,528,606
Short-Term Debt	262	6,072	14,846	17,475	7,659
Pretax Income	500,430	(343,742)	340,185	255,717	236,463
Interest Expense	351	728	1,583	1,960	1,068
Common Dividends Paid			200,000	286,000	
Net Income (Excl. Preferred Stock Dividends)	363,519	(186,931)	258,001	203,590	238,982
Internal Cash	1,476,779	659,915	1,094,567	1,416,582	1,544,922
Cash Outflows for Construction	(466,799)	(1,142,150)	(355,909)	(849,155)	(1,029,637)
CWIP	150,422	94,450	56,139	204,148	336,897
Total Plant	22,686,779	23,605,651	23,745,094	23,814,334	23,283,252
Shares Outstanding	1,000	1,000	1,000	1,000	1,000
Number of Employees	9	9	18	17	19

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$362,460)	(\$116,100)	\$1,329	\$460,618	(\$657,318)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	701,377	669,988	709,013	775,534	1,297,341	2
Changes in Deferred Income Taxes	76,942	70,863	40,162	661,437	(188,202)	3
Changes in Working Capital	676,756	(360,742)	(107,411)	111,297	(363,247)	4
Capitalized AFDC - Equity						5
Other	(441,752)	(508,339)	(834,865)	(2,250,493)	1,525	6
Total Non-Cash Items	1,013,323	(128,230)	(193,101)	(702,225)	747,417	7
Net Cash Provided From Operating Activities	<u>650,863</u>	<u>(244,330)</u>	<u>(191,772)</u>	<u>(241,607)</u>	<u>90,099</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(590,174)	(594,898)	(324,924)	(512,632)	(361,532)	9
Purchase of Other Investments	(1,645,000)	725,000	515,000	280,000	1,450,000	10
Sale of Other Investments	61,594	(1,475)	9,907	64,418	44,046	11
Other	1,580,336					12
Net Cash Provided From Investing Activities	<u>(593,244)</u>	<u>128,627</u>	<u>199,983</u>	<u>(168,214)</u>	<u>1,132,514</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(42,994)	91,997	(30,083)	1,959	(1,597,043)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(1,327,027)	17
Dividends Paid						18
Other Financing					(4,842)	19
Net Cash Provided From Financing Activities	<u>(42,994)</u>	<u>91,997</u>	<u>(30,083)</u>	<u>1,959</u>	<u>(2,928,912)</u>	20
Net Increase (Decrease) in Cash & Equivalents	14,625	(23,706)	(21,872)	(407,862)	(1,706,299)	21
Cash & Equivalents at Beginning of Year	107,531	131,237	153,109	560,971	2,267,270	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$122,156</b>	<b>\$107,531</b>	<b>\$131,237</b>	<b>\$153,109</b>	<b>\$560,971</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,297,263	\$5,195,518	\$5,684,169	\$5,829,455	\$6,528,822
2 Access Lines	7,850	8,100	8,409	8,744	9,114
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$2,228,922	\$2,303,213	\$2,384,220	\$2,827,581	\$2,475,240
4 Depreciation and Amortization	701,377	669,988	709,013	775,534	1,293,672
5 Other Operations Expense	2,528,490	2,365,596	2,548,233	3,245,331	3,336,195
6 Total Operation Expenses	5,458,789	5,338,797	5,641,466	6,848,446	7,105,107
7 Income Taxes - Operating Taxes	(218,979)	(232,924)	(165,899)	(514,839)	(386,859)
8 Other Taxes - Operating Taxes	315,063	298,608	333,532	345,166	351,714
9 Capital Costs	(257,610)	(208,963)	(124,930)	(849,318)	(541,140)
10 Total	\$5,297,263	\$5,195,518	\$5,684,169	\$5,829,455	\$6,528,822
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	42.1	44.3	41.9	48.5	37.9
12 Depreciation and Amortization	13.2	12.9	12.5	13.3	19.8
13 Other Operations Expense	47.7	45.5	44.8	55.7	51.1
14 Income Taxes - Operating Taxes	(4.1)	(4.5)	(2.9)	(8.8)	(5.9)
15 Other Taxes - Operating Taxes	5.9	5.7	5.9	5.9	5.4
16 Capital Costs	(4.9)	(4.0)	(2.2)	(14.6)	(8.3)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	283.94	284.35	283.53	323.37	271.59
19 Depreciation and Amortization	89.35	82.71	84.32	88.69	141.94
20 Other Operations Expense	322.10	292.05	303.04	371.15	366.05
21 Income Taxes - Operating Taxes	(27.90)	(28.76)	(19.73)	(58.88)	(42.45)
22 Other Taxes - Operating Taxes	40.14	36.87	39.66	39.47	38.59
23 Capital Costs	(32.82)	(25.80)	(14.86)	(97.13)	(59.37)
24 Total	674.81	641.42	675.96	666.68	716.35

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$4,692,234	\$4,841,611	\$4,768,296	\$4,697,680	\$4,616,323	1
Central Office Assets	7,820,470	7,537,220	7,434,031	7,268,845	7,208,677	2
Information Origination/Termination	438,557	438,557	438,557	438,557	438,557	3
Cable And Wire Facilities	5,627,453	5,523,098	5,581,694	5,608,279	5,553,068	4
Amortizable Assets	103,127	103,127	103,127	103,127	103,127	5
<b>Total Plant In Service</b>	<b>18,681,841</b>	<b>18,443,613</b>	<b>18,325,705</b>	<b>18,116,488</b>	<b>17,919,752</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	78,636	183,580	46,320	49,698	20,497	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>18,760,477</b>	<b>18,627,193</b>	<b>18,372,025</b>	<b>18,166,186</b>	<b>17,940,249</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	15,381,995	15,075,916	14,747,133	14,147,299	13,594,045	14
<b>Net Total Utility Plant</b>	<b>\$3,378,482</b>	<b>\$3,551,277</b>	<b>\$3,624,892</b>	<b>\$4,018,887</b>	<b>\$4,346,204</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.51	0.76	0.79	0.81	1.04	16
Total Capitalization	\$6,764,170	\$8,814,624	\$8,113,727	\$7,627,481	\$6,884,904	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.3%	1.6%	1.0%	1.5%	1.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	72.6%	59.8%	66.4%	70.6%	71.6%	20
Short-Term Debt	26.1%	38.5%	32.6%	27.9%	26.7%	21
Pretax Coverage of Interest Expense	-1.73	-0.62	-1.03	-40.25	-3.40	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-6.4%	-1.1%	-2.3%	-13.9%	-12.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	110.3%	-41.1%	-59.0%	-521.9%	24.9%	25
CWIP as a % of Plant	0.4%	1.0%	0.3%	0.3%	0.1%	26

Current Assets	1,565,441	2,884,821	2,323,338	2,370,346	2,668,016
Current Liabilities	3,077,776	3,807,417	2,945,067	2,942,514	2,554,635
Total Capitalization	6,764,170	8,814,624	8,113,727	7,627,481	6,884,904
Long-Term Debt	88,475	144,429	81,964	115,345	120,972
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,909,886	5,272,346	5,388,446	5,387,117	4,926,499
Short-Term Debt	1,765,809	3,397,849	2,643,317	2,125,019	1,837,433
Pretax Income	(204,176)	(111,099)	(146,170)	(1,199,366)	(794,159)
Interest Expense	117,691	179,442	141,642	29,800	233,810
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(325,319)	(58,017)	(121,913)	(714,327)	(640,580)
Internal Cash	650,863	(244,331)	(191,772)	(2,675,367)	90,099
Cash Outflows for Construction	(590,174)	(594,898)	(324,924)	(512,632)	(361,532)
CWIP	78,636	183,580	46,320	49,698	20,497
Total Plant	18,760,477	18,627,193	18,372,025	18,166,186	17,940,249
Shares Outstanding	11,733	11,733	11,733	11,733	11,733
Number of Employees	82	70	57	61	57

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$81,410	(\$214,019)	(\$11,643)	\$491,716	\$66,032	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	582,860	502,669	565,630	568,644	602,994	2
Changes in Deferred Income Taxes	(46,768)	(5,724)	(54,994)	275,776	(32,760)	3
Changes in Working Capital	45,013	53,250	138,032	(110,428)	88,668	4
Capitalized AFDC - Equity						5
Other	58,387	39,688	97,460	(650,916)	53,972	6
Total Non-Cash Items	639,492	589,883	746,128	83,076	712,874	7
Net Cash Provided From Operating Activities	<u>720,902</u>	<u>375,864</u>	<u>734,485</u>	<u>574,792</u>	<u>778,906</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(223,670)	(277,340)	(292,075)	(308,597)	(289,644)	9
Purchase of Other Investments						10
Sale of Other Investments	(12,797)	70,034	(2,520)	(36,021)	5,304	11
Other						12
Net Cash Provided From Investing Activities	<u>(236,467)</u>	<u>(207,306)</u>	<u>(294,595)</u>	<u>(344,618)</u>	<u>(284,340)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(768,000)	(167,000)		(257,000)		18
Other Financing	(1,867)	(3,733)	(11,503)	24,996	(4,312)	19
Net Cash Provided From Financing Activities	<u>(769,867)</u>	<u>(170,733)</u>	<u>(11,503)</u>	<u>(232,004)</u>	<u>(4,312)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(285,432)	(2,175)	428,387	(1,830)	490,254	21
Cash & Equivalents at Beginning of Year	1,997,362	1,999,537	1,571,150	1,572,980	1,082,726	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,711,930</b>	<b>\$1,997,362</b>	<b>\$1,999,537</b>	<b>\$1,571,150</b>	<b>\$1,572,980</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,150,019	\$2,173,686	\$2,257,915	\$2,315,357	\$2,317,216
2 Access Lines	1,765	1,807	1,961	2,139	2,450
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$524,163	527,322	\$363,889	\$377,178	\$347,429
4 Depreciation and Amortization	582,860	502,669	565,631	568,645	602,925
5 Other Operations Expense	971,651	986,014	1,073,969	1,053,418	1,079,837
6 Total Operation Expenses	2,078,674	2,016,005	2,003,489	1,999,241	2,030,191
7 Income Taxes - Operating Taxes	(56,533)	(30,196)	(11,162)	24,398	(6,343)
8 Other Taxes - Operating Taxes	168,313	167,758	174,037	194,684	169,421
9 Capital Costs	(40,435)	20,119	91,551	97,034	123,947
10 Total	\$2,150,019	\$2,173,686	\$2,257,915	\$2,315,357	\$2,317,216
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	24.4	24.3	16.1	16.3	15.0
12 Depreciation and Amortization	27.1	23.1	25.1	24.6	26.0
13 Other Operations Expense	45.2	45.4	47.6	45.5	46.6
14 Income Taxes - Operating Taxes	(2.6)	(1.4)	(0.5)	1.1	(0.3)
15 Other Taxes - Operating Taxes	7.8	7.7	7.7	8.4	7.3
16 Capital Costs	(1.9)	0.9	4.1	4.2	5.3
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	296.98	291.82	185.56	176.33	141.81
19 Depreciation and Amortization	330.23	278.18	288.44	265.85	246.09
20 Other Operations Expense	550.51	545.66	547.66	492.48	440.75
21 Income Taxes - Operating Taxes	(32.03)	(16.71)	(5.69)	11.41	(2.59)
22 Other Taxes - Operating Taxes	95.36	92.84	88.75	91.02	69.15
23 Capital Costs	(22.91)	11.13	46.69	45.36	50.59
24 Total	1,218.14	1,202.93	1,151.41	1,082.45	945.80

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$847,838	\$824,218	\$830,136	\$910,986	\$906,197	1
Central Office Assets	3,154,620	3,094,225	2,974,234	2,758,905	3,188,000	2
Information Origination/Termination	22,362	22,362		3,040	9,017	3
Cable And Wire Facilities	6,994,983	6,918,543	6,811,823	6,760,975	6,669,112	4
Amortizable Assets	31,880	52,604	70,791	101,930	86,253	5
<b>Total Plant In Service</b>	11,051,683	10,911,952	10,686,984	10,535,836	10,858,579	6
Property Held For Future Use						7
Plant Under Construction	45,632	10,991	23,303	34,416	67,343	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	11,097,315	10,922,943	10,710,287	10,570,252	10,925,922	13
Less Acc. Prov. For Depreciation & Amort.	8,913,303	8,392,538	7,884,519	7,473,450	7,605,163	14
<b>Net Total Utility Plant</b>	\$2,184,012	\$2,530,405	\$2,825,768	\$3,096,802	\$3,320,759	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	5.99	7.89	6.75	8.74	6.32	16
Total Capitalization	\$1,597,503	\$2,291,756	\$2,677,380	\$2,682,863	\$2,423,151	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt			0.1%	0.2%	0.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	99.9%	99.8%	99.4%	99.3%	20
Short-Term Debt		0.1%	0.1%	0.4%	0.4%	21
Pretax Coverage of Interest Expense	2.98	-3.29	0.85	15.83	1.76	22
Com. Stock Dividends as a % of Earnings	-943.4%	-78.0%		52.3%		23
Return on Common Equity	-4.2%	-8.6%	-0.4%	19.4%	2.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	322.3%	135.5%	251.5%	186.3%	268.9%	25
CWIP as a % of Plant	0.4%	0.1%	0.2%	0.3%	0.6%	26

Current Assets	2,034,149	2,346,559	2,467,255	2,041,908	2,075,146
Current Liabilities	339,697	297,563	365,578	233,722	328,538
Total Capitalization	1,597,503	2,291,756	2,677,380	2,682,863	2,423,151
Long-Term Debt			1,867	5,601	7,768
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,597,503	2,289,889	2,671,780	2,665,760	2,406,061
Short-Term Debt		1,867	3,733	11,502	9,322
Pretax Income	188,918	(252,418)	96,829	838,737	216,826
Interest Expense	63,364	76,633	114,390	52,990	122,857
Common Dividends Paid	768,000	167,000		257,000	
Net Income (Excl. Preferred Stock Dividends)	(81,410)	(214,019)	(11,643)	491,716	66,032
Internal Cash	720,902	375,864	734,485	574,792	778,906
Cash Outflows for Construction	(223,670)	(277,340)	(292,075)	(308,597)	(289,644)
CWIP	45,632	10,991	23,303	34,416	67,343
Total Plant	11,097,315	10,922,943	10,710,287	10,570,252	10,925,922
Shares Outstanding	676	676	676	676	676
Number of Employees	3	3	5	5	5

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$750,189	\$583,901	(\$318,106)	(\$248,235)	(\$409,022)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,143,796	1,244,591	1,216,993	1,184,379	1,201,523	2
Changes in Deferred Income Taxes	172,872	51,466	79,623	154,964	13,328	3
Changes in Working Capital	362,898	477,181	(96,549)	(886,315)	135,223	4
Capitalized AFDC - Equity						5
Other	(1,215,638)	(935,566)	228,730	247,398	525,908	6
Total Non-Cash Items	463,928	837,672	1,428,797	700,426	1,875,982	7
Net Cash Provided From Operating Activities	<u>1,214,117</u>	<u>1,421,573</u>	<u>1,110,691</u>	<u>452,191</u>	<u>1,466,960</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(570,237)	(830,756)	(889,559)	(1,376,048)	(1,477,923)	9
Purchase of Other Investments	(1,179,247)	(1,200,164)			(194,955)	10
Sale of Other Investments	1,086,376	989,704	20,758	(35,036)	(24,721)	11
Other	(31,978)	(31,978)				12
Net Cash Provided From Investing Activities	<u>(695,086)</u>	<u>(1,073,194)</u>	<u>(868,801)</u>	<u>(1,411,084)</u>	<u>(1,697,599)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(30,741)	(28,880)	(118,315)	(149,229)	(143,779)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(30,741)</u>	<u>(28,880)</u>	<u>(118,315)</u>	<u>(149,229)</u>	<u>(143,779)</u>	20
Net Increase (Decrease) in Cash & Equivalents	488,290	319,499	123,575	(1,108,122)	(374,418)	21
Cash & Equivalents at Beginning of Year	998,645	679,146	555,571	1,663,693	2,038,111	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,486,935</b>	<b>\$998,645</b>	<b>\$679,146</b>	<b>\$555,571</b>	<b>\$1,663,693</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,846,471	\$4,456,310	\$4,746,544	\$5,003,303	\$5,413,139
2 Access Lines	5,081	5,400	5,725	6,033	6,998
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,967,131	\$1,892,763	\$1,801,623	\$1,955,602	\$2,036,573
4 Depreciation and Amortization	1,143,797	1,244,591	1,209,136	1,176,522	1,192,627
5 Other Operations Expense	1,504,398	1,317,031	1,473,699	1,767,455	1,540,266
6 Total Operation Expenses	4,615,326	4,454,385	4,484,458	4,899,579	4,769,466
7 Income Taxes - Operating Taxes	46,420	(105,757)	(63,602)	(106,888)	29,006
8 Other Taxes - Operating Taxes	261,271	295,208	300,975	282,112	368,561
9 Capital Costs	(76,546)	(187,526)	24,713	(71,500)	246,106
10 Total	\$4,846,471	\$4,456,310	\$4,746,544	\$5,003,303	\$5,413,139
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	40.6	42.5	38.0	39.1	37.6
12 Depreciation and Amortization	23.6	27.9	25.5	23.5	22.0
13 Other Operations Expense	31.0	29.6	31.0	35.3	28.5
14 Income Taxes - Operating Taxes	1.0	(2.4)	(1.3)	(2.1)	0.5
15 Other Taxes - Operating Taxes	5.4	6.6	6.3	5.6	6.8
16 Capital Costs	(1.6)	(4.2)	0.5	(1.4)	4.5
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	387.15	350.51	314.69	324.15	291.02
19 Depreciation and Amortization	225.11	230.48	211.20	195.01	170.42
20 Other Operations Expense	296.08	243.89	257.41	292.96	220.10
21 Income Taxes - Operating Taxes	9.14	(19.58)	(11.11)	(17.72)	4.14
22 Other Taxes - Operating Taxes	51.42	54.67	52.57	46.76	52.67
23 Capital Costs	(15.07)	(34.73)	4.32	(11.85)	35.17
24 Total	953.84	825.24	829.09	829.32	773.53

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$6,481,945	\$6,513,732	\$6,531,408	\$6,532,569	\$6,373,834	1
Central Office Assets	9,737,634	9,509,907	9,349,198	8,926,779	8,603,484	2
Information Origination/Termination	116,255	107,225	101,922	100,497	91,024	3
Cable And Wire Facilities	16,299,400	16,051,903	15,614,536	15,129,050	14,513,613	4
Amortizable Assets	264	264	264	264	264	5
<b>Total Plant In Service</b>	<b>32,635,498</b>	<b>32,183,031</b>	<b>31,597,328</b>	<b>30,689,159</b>	<b>29,582,219</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	160,693	352,062	285,137	567,692	737,082	8
Tel. Acquisition	142,838	142,838	417,821	142,838	142,838	9
Other Plant				274,983	274,983	10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>32,939,029</b>	<b>32,677,931</b>	<b>32,300,286</b>	<b>31,674,672</b>	<b>30,737,122</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	20,567,904	19,704,497	18,897,880	17,927,835	17,130,464	14
<b>Net Total Utility Plant</b>	<b>\$12,371,125</b>	<b>\$12,973,434</b>	<b>\$13,402,406</b>	<b>\$13,746,837</b>	<b>\$13,606,658</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	9.71	-34.11	-7.08	7.71	8.22	16
Total Capitalization	\$22,266,528	\$21,423,870	\$21,088,011	\$21,308,442	\$22,481,544	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.0%	0.8%	0.9%	1.4%	2.0%	18
Preferred Stock						19
Common Stock & Retained Earnings	99.0%	99.2%	99.1%	98.6%	98.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	49.90	23.71	-6.51	-4.87	-3.22	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	3.5%	2.8%	-1.5%	-1.2%	-1.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	212.9%	171.1%	124.9%	32.9%	99.3%	25
CWIP as a % of Plant	0.5%	1.1%	0.9%	1.8%	2.4%	26

Current Assets	3,335,617	2,793,679	2,782,278	3,278,131	3,439,064
Current Liabilities	343,422	(81,893)	(392,767)	424,934	418,175
Total Capitalization	22,266,528	21,423,870	21,088,011	21,308,442	22,481,544
Long-Term Debt	223,717	172,691	185,819	304,133	453,362
Preferred Stock				-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	22,042,811	21,251,179	20,902,192	21,004,309	22,028,182
Short-Term Debt				-	-
Pretax Income	1,003,262	686,007	(416,760)	(345,958)	(351,717)
Interest Expense	20,104	28,930	64,044	71,008	109,334
Common Dividends Paid				-	-
Net Income (Excl. Preferred Stock Dividends)	750,189	583,901	(318,106)	(248,235)	(409,022)
Internal Cash	1,214,117	1,421,573	1,110,691	452,191	1,466,960
Cash Outflows for Construction	(570,237)	(830,756)	(889,559)	(1,376,048)	(1,477,923)
CWIP	160,693	352,062	285,137	567,692	737,082
Total Plant	32,939,029	32,677,931	32,300,286	31,674,672	30,737,122
Shares Outstanding	2,626	2,626	2,626	2,626	2,626
Number of Employees	43	57	55	55	55

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$46,050)	(\$31,998)	(\$7,541)	\$18,677	(\$45,060)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	123,647	124,197	125,686	123,775	125,232	2
Changes in Deferred Income Taxes	(18,032)	13,705	(2,216)	(4,734)	3,044	3
Changes in Working Capital	33,455	(7,583)	(9,507)	(33,659)	(52,611)	4
Capitalized AFDC - Equity						5
Other	63,886	46,170	20,351	8,601	30,532	6
Total Non-Cash Items	202,956	176,489	134,314	93,983	106,197	7
Net Cash Provided From Operating Activities	<u>156,906</u>	<u>144,491</u>	<u>126,773</u>	<u>112,660</u>	<u>61,137</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(32,192)	(53,185)	(61,478)	(48,189)	(182,501)	9
Purchase of Other Investments	12,908	(26,446)	33,038	20,170	(97,166)	10
Sale of Other Investments				11,500		11
Other						12
Net Cash Provided From Investing Activities	<u>(19,284)</u>	<u>(79,631)</u>	<u>(28,440)</u>	<u>(16,519)</u>	<u>(279,667)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(33,784)	(31,405)	(29,505)	(45,576)	(42,302)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(9,645)	(13,378)	(45,349)	3,698	236,974	19
Net Cash Provided From Financing Activities	<u>(43,429)</u>	<u>(44,783)</u>	<u>(74,854)</u>	<u>(41,878)</u>	<u>194,672</u>	20
Net Increase (Decrease) in Cash & Equivalents	94,193	20,077	23,479	54,263	(23,858)	21
Cash & Equivalents at Beginning of Year	145,793	125,716	102,237	47,974	71,832	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$239,986</b>	<b>\$145,793</b>	<b>\$125,716</b>	<b>\$102,237</b>	<b>\$47,974</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,359,577	\$1,481,595	\$1,523,616	\$1,461,036	\$1,393,528
2 Access Lines	944	954	969	992	996
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$456,326	\$435,021	\$418,137	\$455,340	\$456,188
4 Depreciation and Amortization	123,647	124,197	125,686	123,775	125,232
5 Other Operations Expense	784,385	880,042	899,771	806,254	808,762
6 Total Operation Expenses	1,364,358	1,439,260	1,443,594	1,385,369	1,390,182
7 Income Taxes - Operating Taxes	70,212	68,435	57,988	51,115	55,917
8 Other Taxes - Operating Taxes					
9 Capital Costs	(74,993)	(26,100)	22,034	24,552	(52,571)
10 Total	\$1,359,577	\$1,481,595	\$1,523,616	\$1,461,036	\$1,393,528
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	33.6	29.4	27.4	31.2	32.7
12 Depreciation and Amortization	9.1	8.4	8.2	8.5	9.0
13 Other Operations Expense	57.7	59.4	59.1	55.2	58.0
14 Income Taxes - Operating Taxes	5.2	4.6	3.8	3.5	4.0
15 Other Taxes - Operating Taxes					
16 Capital Costs	(5.5)	(1.8)	1.4	1.7	(3.8)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	483.40	456.00	431.51	459.01	458.02
19 Depreciation and Amortization	130.98	130.19	129.71	124.77	125.73
20 Other Operations Expense	830.92	922.48	928.56	812.76	812.01
21 Income Taxes - Operating Taxes	74.38	71.73	59.84	51.53	56.14
22 Other Taxes - Operating Taxes					
23 Capital Costs	(79.44)	(27.36)	22.74	24.75	(52.78)
24 Total	1,440.23	1,553.03	1,572.36	1,472.82	1,399.12

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$254,029	\$259,436	\$259,436	\$259,436	\$213,710	1
Central Office Assets	1,098,924	1,087,788	1,034,758	972,416	963,994	2
Information Origination/Termination						3
Cable And Wire Facilities	1,113,083	1,107,875	1,107,720	1,105,132	1,083,812	4
Amortizable Assets	43,175	43,175	43,175	43,175	48,637	5
<b>Total Plant In Service</b>	2,509,211	2,498,274	2,445,089	2,380,159	2,310,153	6
Property Held For Future Use						7
Plant Under Construction						8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	2,509,211	2,498,274	2,445,089	2,380,159	2,310,153	13
Less Acc. Prov. For Depreciation & Amort.	1,642,407	1,556,090	1,451,918	1,345,351	1,289,792	14
<b>Net Total Utility Plant</b>	\$866,804	\$942,184	\$993,171	\$1,034,808	\$1,020,361	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	5.54	4.80	3.70	2.72	2.25	16
Total Capitalization	\$1,543,414	\$1,599,873	\$1,652,921	\$1,679,439	\$1,608,862	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	3.0%	3.6%	4.7%	5.8%	2.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	97.0%	96.4%	95.3%	94.2%	97.2%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-6.37	-0.86	0.32	1.79	-1.95	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	-5.4%	-2.1%	-0.5%	1.2%	-2.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	375.4%	271.7%	206.2%	233.8%	33.5%	25
CWIP as a % of Plant						26

Current Assets	412,020	375,724	361,028	315,555	291,124
Current Liabilities	74,385	78,325	97,670	116,188	129,258
Total Capitalization	1,543,414	1,599,873	1,652,921	1,679,439	1,608,862
Long-Term Debt	46,840	57,249	78,299	97,276	45,376
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,496,574	1,542,624	1,574,622	1,582,163	1,563,486
Short-Term Debt					
Pretax Income	(55,388)	(8,440)	4,537	31,509	(27,768)
Interest Expense	8,694	9,853	14,294	17,566	14,248
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(82,114)	(31,998)	(7,541)	18,677	(45,060)
Internal Cash	120,842	144,491	126,773	112,660	61,137
Cash Outflows for Construction	(32,192)	(53,185)	(61,478)	(48,189)	(182,501)
CWIP					
Total Plant	2,509,211	2,498,274	2,445,089	2,380,159	2,310,153
Shares Outstanding	1,050	1,050	1,050	1,050	1,050
Number of Employees	5	5	5	5	5

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$946,958	\$865,786	\$1,064,849	\$2,941,653	\$1,211,479	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	914,375	\$968,427	948,489	928,253	925,634	2
Changes in Deferred Income Taxes	(183,012)	(183,012)	(16,724)	684,857	(412,226)	3
Changes in Working Capital	411,805	150,974	893,293	(1,123,730)	508,439	4
Capitalized AFDC - Equity						5
Other	(219,541)	(80,311)	58,204	(2,029,864)	2,090,052	6
Total Non-Cash Items	923,627	856,078	1,883,262	(1,540,485)	3,111,899	7
Net Cash Provided From Operating Activities	<u>1,870,585</u>	<u>1,721,864</u>	<u>2,948,112</u>	<u>1,401,168</u>	<u>4,323,378</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(195,570)	(288,477)	(368,353)	(266,181)	(402,988)	9
Purchase of Other Investments	474,324	598,042	(2,512,536)	918,936	(790,896)	10
Sale of Other Investments						11
Other	(147,984)	(30,192)	12,792	(147,095)	(23,578)	12
Net Cash Provided From Investing Activities	<u>130,770</u>	<u>279,373</u>	<u>(2,868,097)</u>	<u>505,660</u>	<u>(1,217,462)</u>	13
<b>Cash Flows from Financing Activities</b>						
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)		(2,000,000)	(3,100,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(2,000,000)</u>	<u>(2,000,000)</u>		<u>(2,000,000)</u>	<u>(3,100,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,355	1,237	80,014	(93,173)	5,916	21
Cash & Equivalents at Beginning of Year	(1,355)	(2,592)	(82,606)	10,567	4,650	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$0</b>	<b>(\$1,355)</b>	<b>(\$2,592)</b>	<b>(\$82,606)</b>	<b>\$10,567</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,029,819	\$5,086,576	\$5,146,466	\$5,502,318	\$6,166,027
2 Access Lines	5,238	5,375	5,573	5,860	6,064
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$392,273	\$553,994	\$650,783	\$612,475	\$466,912
4 Depreciation and Amortization	914,376	968,428	948,490	928,253	925,634
5 Other Operations Expense	2,185,302	2,062,009	1,795,483	1,753,869	1,778,060
6 Total Operation Expenses	3,491,951	3,584,431	3,394,756	3,294,596	3,170,606
7 Income Taxes - Operating Taxes	298,092	224,332	506,402	662,498	952,197
8 Other Taxes - Operating Taxes	117,468	196,948	306,190	314,869	274,860
9 Capital Costs	1,122,308	1,080,865	939,118	1,230,355	1,768,363
10 Total	\$5,029,819	\$5,086,576	\$5,146,466	\$5,502,318	\$6,166,027
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	7.8	10.9	12.6	11.1	7.6
12 Depreciation and Amortization	18.2	19.0	18.4	16.9	15.0
13 Other Operations Expense	43.4	40.5	34.9	31.9	28.8
14 Income Taxes - Operating Taxes	5.9	4.4	9.8	12.0	15.4
15 Other Taxes - Operating Taxes	2.3	3.9	5.9	5.7	4.5
16 Capital Costs	22.3	21.2	18.2	22.4	28.7
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	74.89	103.07	116.77	104.52	77.00
19 Depreciation and Amortization	174.57	180.17	170.19	158.40	152.64
20 Other Operations Expense	417.20	383.63	322.18	299.30	293.22
21 Income Taxes - Operating Taxes	56.91	41.74	90.87	113.05	157.02
22 Other Taxes - Operating Taxes	22.43	36.64	54.94	53.73	45.33
23 Capital Costs	214.26	201.09	168.51	209.96	291.62
24 Total	960.26	946.34	923.46	938.96	1,016.83

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,795,216	\$1,795,177	\$1,795,177	\$1,789,227	\$1,843,647	1
Central Office Assets	8,158,577	8,021,190	7,936,136	7,817,155	7,686,639	2
Information Origination/Termination	205,905	205,905	203,566	203,154	200,984	3
Cable And Wire Facilities	13,538,718	13,401,187	13,210,377	12,961,986	12,665,414	4
Amortizable Assets						5
<b>Total Plant In Service</b>	23,698,416	23,423,459	23,145,256	22,771,522	22,396,684	6
Property Held For Future Use						7
Plant Under Construction	116,222	195,610	185,337	190,718	299,376	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	23,814,638	23,619,069	23,330,593	22,962,240	22,696,060	13
Less Acc. Prov. For Depreciation & Amort.	19,782,078	19,015,684	18,077,451	17,116,168	16,335,007	14
<b>Net Total Utility Plant</b>	\$4,032,560	\$4,603,386	\$5,253,142	\$5,846,072	\$6,361,053	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.05	1.67	1.93	3.12	1.40	16
Total Capitalization	\$12,038,693	\$15,091,736	\$14,225,950	\$13,161,102	\$12,219,450	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	167.98	115.59	154.04	-45.15	16.64	22
Com. Stock Dividends as a % of Earnings	211.2%	231.0%		68.0%	255.9%	23
Return on Common Equity	7.0%	5.9%	7.8%	23.2%	9.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	1247.9%	826.1%	938.5%	704.4%	1183.5%	25
CWIP as a % of Plant	0.5%	0.8%	0.8%	0.8%	1.3%	26

Current Assets	1,274,470	1,156,292	1,280,621	2,152,558	1,483,341
Current Liabilities	1,213,388	691,626	665,166	689,238	1,061,432
Total Capitalization	12,038,693	15,091,736	14,225,950	13,161,102	12,219,450
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	12,038,693	15,091,736	14,225,950	13,161,102	12,219,450
Short-Term Debt					
Pretax Income	1,426,860	1,305,097	1,680,388	4,442,835	1,957,473
Interest Expense	8,494	11,291	10,909	(98,400)	117,653
Common Dividends Paid	2,000,000	2,000,000		2,000,000	3,100,000
Net Income (Excl. Preferred Stock Dividends)	946,934	865,784	1,064,848	2,941,652	1,211,477
Internal Cash	2,440,589	2,383,239	3,457,036	1,874,998	4,769,436
Cash Outflows for Construction	(195,570)	(288,477)	(368,353)	(266,181)	(402,988)
CWIP	116,222	195,610	185,337	190,718	299,376
Total Plant	23,814,638	23,619,069	23,330,593	22,962,240	22,696,060
Shares Outstanding	21,742	21,742	21,742	21,742	21,742
Number of Employees	7	7	7	7	7

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$11,267,473	\$13,377,031	\$16,081,315	\$19,453,040	\$22,240,917	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	5,860,484	7,167,252	8,434,498	9,802,045	9,792,203	2
Changes in Deferred Income Taxes	202,788	202,788	700,273	(1,168,267)	1,840,465	3
Changes in Working Capital	5,599,044	1,834,794	(1,830,071)	3,854,662	(3,552,055)	4
Capitalized AFDC - Equity						5
Other	(331,798)	(512,772)	448,678	589,798	247,664	6
Total Non-Cash Items	11,330,519	8,692,063	7,753,378	13,078,238	8,328,277	7
Net Cash Provided From Operating Activities	<u>22,597,991</u>	<u>22,069,094</u>	<u>23,834,693</u>	<u>32,531,278</u>	<u>30,569,194</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,042,699)	(1,907,167)	(1,544,844)	(713,003)	(3,693,117)	9
Purchase of Other Investments	19,551,209	(19,434,288)	(17,445,447)	(931,742)	(3,519,392)	10
Sale of Other Investments						11
Other	(1,093,962)	(782,855)	(843,203)	(2,791,227)	(144,399)	12
Net Cash Provided From Investing Activities	<u>17,414,548</u>	<u>(22,124,310)</u>	<u>(19,833,494)</u>	<u>(4,435,972)</u>	<u>(7,356,908)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(40,000,000)		(4,000,000)	(28,000,000)	(24,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(40,000,000)</u>		<u>(4,000,000)</u>	<u>(28,000,000)</u>	<u>(24,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	12,539	(55,216)	1,199	95,305	(787,714)	21
Cash & Equivalents at Beginning of Year	(13,196)	42,019	40,820	(54,485)	733,228	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>(\$657)</b>	<b>(\$13,196)</b>	<b>\$42,019</b>	<b>\$40,820</b>	<b>(\$54,485)</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$47,936,968	\$51,013,275	\$54,625,491	\$57,904,186	\$64,162,212
2 Access Lines	40,831	43,403	46,290	50,205	56,507
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$3,801,821	2,625,519	\$3,652,425	\$4,213,039	\$3,998,507
4 Depreciation and Amortization	5,860,484	7,167,252	8,434,498	9,802,045	9,792,203
5 Other Operations Expense	17,621,441	17,482,913	16,135,568	17,140,696	20,152,642
6 Total Operation Expenses	27,283,846	27,275,684	28,222,491	31,155,780	33,943,352
7 Income Taxes - Operating Taxes	5,262,497	5,812,013	8,156,361	8,090,087	9,454,152
8 Other Taxes - Operating Taxes	2,358,571	2,288,810	3,230,911	3,633,873	3,206,998
9 Capital Costs	13,032,054	15,636,768	15,015,728	15,024,446	17,557,710
10 Total	\$47,936,968	51,013,275	\$54,625,491	\$57,904,186	\$64,162,212
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	7.9	19.6	6.7	7.3	6.2
12 Depreciation and Amortization	12.2	53.6	15.4	16.9	15.3
13 Other Operations Expense	36.8	130.7	29.5	29.6	31.4
14 Income Taxes - Operating Taxes	11.0	43.4	14.9	14.0	14.7
15 Other Taxes - Operating Taxes	4.9	17.1	5.9	6.3	5.0
16 Capital Costs	27.2	116.9	27.5	25.9	27.4
17 Total	100.0	381.3	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	93.11	60.49	78.90	83.92	70.76
19 Depreciation and Amortization	143.53	165.13	182.21	195.24	173.29
20 Other Operations Expense	431.57	402.80	348.58	341.41	356.64
21 Income Taxes - Operating Taxes	128.88	133.91	176.20	161.14	167.31
22 Other Taxes - Operating Taxes	57.76	52.73	69.80	72.38	56.75
23 Capital Costs	319.17	360.27	324.38	299.26	310.72
24 Total	1,174.03	1,175.34	1,180.07	1,153.35	1,135.47

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$16,869,171	\$16,765,813	\$16,812,910	\$16,820,171	\$18,371,447	1
Central Office Assets	87,567,207	87,065,215	86,307,079	85,401,101	84,130,377	2
Information Origination/Termination	2,338,004	2,284,025	2,267,119	2,192,272	2,062,047	3
Cable And Wire Facilities	82,390,021	81,841,999	80,999,235	80,046,375	78,525,112	4
Amortizable Assets	31,214	31,214	31,214	31,214	31,214	5
<b>Total Plant In Service</b>	<b>189,195,617</b>	<b>187,988,266</b>	<b>186,417,557</b>	<b>184,491,133</b>	<b>183,120,197</b>	<b>6</b>
Property Held For Future Use				38,544	38,544	7
Plant Under Construction	1,047,183	1,211,832	875,372	1,218,410	1,848,933	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>190,242,800</b>	<b>189,200,098</b>	<b>187,292,929</b>	<b>185,748,087</b>	<b>185,007,674</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	154,551,770	149,736,659	143,352,260	135,760,968	128,722,749	14
<b>Net Total Utility Plant</b>	<b>\$35,691,030</b>	<b>\$39,463,439</b>	<b>\$43,940,669</b>	<b>\$49,987,119</b>	<b>\$56,284,925</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.95	1.85	2.25	1.66	2.39	16
Total Capitalization	\$84,306,817	\$153,039,346	\$139,662,315	\$127,581,000	\$136,127,964	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	N/A	N/A	N/A	N/A	N/A	22
Com. Stock Dividends as a % of Earnings	355.0%		25.1%	143.9%	107.9%	23
Return on Common Equity	9.5%	9.1%	11.9%	14.8%	16.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	2415.7%	1376.1%	1815.2%	5167.9%	944.9%	25
CWIP as a % of Plant		0.6%	0.5%	0.7%	1.0%	26

Current Assets	16,277,473	9,953,957	11,606,490	12,111,363	14,994,805
Current Liabilities	17,183,947	5,370,466	5,155,815	7,300,239	6,271,967
Total Capitalization	84,306,817	153,039,346	139,662,315	127,581,000	136,127,964
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	84,306,817	153,039,346	139,662,315	127,581,000	136,127,964
Short-Term Debt					
Pretax Income	18,164,120	21,288,809	25,754,309	30,871,756	34,705,934
Interest Expense	1,113,793	1,003,600	901,821	807,834	721,035
Common Dividends Paid	40,000,000		4,000,000	28,000,000	24,000,000
Net Income (Excl. Preferred Stock Dividends)	11,267,473	13,377,031	15,949,518	19,453,035	22,240,917
Internal Cash	25,188,342	26,244,103	28,041,641	36,847,516	34,895,763
Cash Outflows for Construction	(1,042,699)	(1,907,167)	(1,544,844)	(713,003)	(3,693,117)
CWIP		1,211,832	875,372	1,218,410	1,848,933
Total Plant	190,242,800	189,200,098	187,292,929	185,748,087	185,007,674
Shares Outstanding	506,758	506,758	506,758	506,758	506,758
Number of Employees	46	45	46	49	50

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$317,152)	\$8,965,486	\$32,344,367	\$49,822,089	\$58,182,475	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	68,827,514	69,199,706	69,960,582	68,643,556	68,662,256	2
Changes in Deferred Income Taxes	1,274,508	1,274,508	6,968,527	(2,751,148)	(17,497,728)	3
Changes in Working Capital	33,336,532	49,377,900	(36,757,918)	(22,626,414)	39,616,181	4
Capitalized AFDC - Equity						5
Other	7,947,481	6,353,598	7,795,652	5,232,650	4,790,150	6
Total Non-Cash Items	111,386,035	126,205,712	47,966,844	48,498,644	95,570,859	7
Net Cash Provided From Operating Activities	<u>111,068,883</u>	<u>135,171,198</u>	<u>80,311,211</u>	<u>98,320,733</u>	<u>153,753,334</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(14,941,818)	(17,701,859)	(18,536,055)	(15,420,113)	(37,780,577)	9
Purchase of Other Investments	11,224,075	(109,583,307)	(53,783,726)	1,037,920	(40,082,828)	10
Sale of Other Investments	225,432	431,318			389,987	11
Other	(8,957,522)	(7,724,980)	(7,137,177)	(15,752,398)		12
Net Cash Provided From Investing Activities	<u>(12,449,833)</u>	<u>(134,578,828)</u>	<u>(79,456,958)</u>	<u>(30,134,591)</u>	<u>(77,473,418)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(100,000,000)			(65,000,000)	(80,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(100,000,000)</u>			<u>(65,000,000)</u>	<u>(80,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,380,950)	592,370	854,253	3,186,142	(3,720,084)	21
Cash & Equivalents at Beginning of Year	1,764,009	1,171,639	317,386	(2,868,757)	851,328	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$383,059</b>	<b>\$1,764,009</b>	<b>\$1,171,639</b>	<b>\$317,386</b>	<b>(\$2,868,757)</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$246,340,175	\$263,791,764	\$287,285,493	\$301,683,576	\$321,185,560
2 Access Lines	209,212	228,522	251,260	275,184	309,187
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$42,498,914	\$43,239,985	\$46,550,939	\$55,309,820	\$68,188,871
4 Depreciation and Amortization	68,827,514	69,199,706	69,960,582	68,643,556	68,662,256
5 Other Operations Expense	113,237,588	112,030,329	96,752,274	89,705,967	86,676,029
6 Total Operation Expenses	224,564,285	224,470,019	213,263,795	213,659,343	223,527,156
7 Income Taxes - Operating Taxes	(4,450,729)	(12,707)	11,057,241	28,072,845	29,301,532
8 Other Taxes - Operating Taxes	16,490,634	20,275,136	21,085,940	20,683,254	20,195,685
9 Capital Costs	9,735,985	19,059,316	41,878,516	39,268,134	48,161,186
10 Total	\$246,340,175	\$263,791,764	\$287,285,493	\$301,683,576	\$321,185,560
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	17.3	16.4	16.2	18.3	21.2
12 Depreciation and Amortization	27.9	26.2	24.4	22.8	21.4
13 Other Operations Expense	46.0	42.5	33.7	29.7	27.0
14 Income Taxes - Operating Taxes	(1.8)	(0.0)	3.8	9.3	9.1
15 Other Taxes - Operating Taxes	6.7	7.7	7.3	6.9	6.3
16 Capital Costs	4.0	7.2	14.6	13.0	15.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	203.14	189.22	185.27	200.99	220.54
19 Depreciation and Amortization	328.98	302.81	278.44	249.45	222.07
20 Other Operations Expense	541.26	490.24	385.07	325.99	280.34
21 Income Taxes - Operating Taxes	(21.27)	(0.06)	44.01	102.01	94.77
22 Other Taxes - Operating Taxes	78.82	88.72	83.92	75.16	65.32
23 Capital Costs	46.54	83.40	166.67	142.70	155.77
24 Total	1,177.47	1,154.34	1,143.38	1,096.30	1,038.81

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$135,649,946	\$136,310,383	\$135,030,667	\$133,658,997	\$136,846,452	1
Central Office Assets	626,631,562	613,644,327	605,209,992	597,141,766	583,833,229	2
Information Origination/Termination	15,032,753	15,032,753	15,032,753	17,895,274	17,917,954	3
Cable And Wire Facilities	713,388,705	706,222,259	702,446,053	691,639,459	676,534,760	4
Amortizable Assets	12,080,937	12,080,937	12,078,642	12,061,718	11,937,767	5
<b>Total Plant In Service</b>	1,502,783,903	1,483,290,659	1,469,798,107	1,452,397,214	1,427,070,162	6
Property Held For Future Use						7
Plant Under Construction	7,456,223	12,085,833	7,956,050	10,738,344	20,759,589	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	2,205	2,205	2,205			11
Goodwill						12
<b>Total Telecommunications Plant</b>	1,510,242,331	1,495,378,697	1,477,756,362	1,463,135,558	1,447,829,751	13
Less Acc. Prov. For Depreciation & Amort.	1,184,241,424	1,124,224,180	1,062,397,661	1,003,489,506	950,712,655	14
<b>Net Total Utility Plant</b>	\$326,000,907	\$371,154,517	\$415,358,701	\$459,646,052	\$497,117,096	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.82	1.36	2.33	1.59	1.05	16
Total Capitalization	\$614,893,435	\$715,210,589	\$706,245,103	\$673,900,736	\$689,078,648	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	0.79	2.34	7.23	11.49	14.03	22
Com. Stock Dividends as a % of Earnings	-31530.8%			130.5%	137.5%	23
Return on Common Equity	0.0%	1.3%	4.7%	7.3%	8.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	863.5%	870.8%	545.6%	863.2%	501.4%	25
CWIP as a % of Plant	0.5%	0.8%	0.5%	0.7%	1.4%	26

Current Assets	75,175,320	68,904,013	117,601,818	83,614,552	88,732,690
Current Liabilities	92,205,399	50,601,153	50,549,785	52,680,812	84,614,450
Total Capitalization	614,893,435	715,210,589	706,245,103	673,900,736	689,078,648
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	614,893,435	715,210,589	706,245,103	673,900,736	689,078,648
Short-Term Debt					
Pretax Income	7,845,064	21,154,784	59,288,507	85,323,377	94,197,545
Interest Expense	9,970,383	9,054,562	8,203,246	7,428,441	6,713,539
Common Dividends Paid	100,000,000			65,000,000	80,000,000
Net Income (Excl. Preferred Stock Dividends)	(317,150)	8,965,487	32,344,367	49,822,091	58,182,474
Internal Cash	129,026,977	154,155,251	101,140,354	133,101,079	189,430,541
Cash Outflows for Construction	(14,941,818)	(17,701,859)	(18,536,055)	(15,420,113)	(37,780,577)
CWIP	7,456,223	12,085,833	7,956,050	10,738,344	20,759,589
Total Plant	1,510,242,331	1,495,378,697	1,477,756,363	1,463,135,558	1,447,829,751
Shares Outstanding					
Number of Employees	466	505	525	608	723

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$841,386	\$973,431	\$1,495,043	\$2,677,753	\$1,435,115	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	742,285	771,103	802,886	814,600	1,013,529	2
Changes in Deferred Income Taxes	27,852	27,852	652,412	396,350	(764,614)	3
Changes in Working Capital	269,334	851,004	(16,136)	(1,140,302)	657,490	4
Capitalized AFDC - Equity						5
Other	(94,506)	(73,408)	(20,527)	(1,176,984)	1,119,570	6
Total Non-Cash Items	944,965	1,576,551	1,418,634	(1,106,336)	2,025,975	7
Net Cash Provided From Operating Activities	<u>1,786,351</u>	<u>2,549,981</u>	<u>2,913,677</u>	<u>1,571,417</u>	<u>3,461,090</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(505,031)	(634,767)	(568,150)	(425,639)	(737,730)	9
Purchase of Other Investments	2,777,669	(1,878,192)	(2,270,075)	2,070,446	(667,217)	10
Sale of Other Investments						11
Other	(58,044)	(42,479)	(86,885)	(240,532)	45,035	12
Net Cash Provided From Investing Activities	<u>2,214,594</u>	<u>(2,555,438)</u>	<u>(2,925,110)</u>	<u>1,404,275</u>	<u>(1,359,912)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock	(4,000,000)					15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(3,000,000)	(2,100,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(4,000,000)</u>			<u>(3,000,000)</u>	<u>(2,100,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	945	(5,457)	(11,432)	(24,308)	1,178	21
Cash & Equivalents at Beginning of Year	(945)	4,511	15,944	40,252	39,074	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>(\$0)</b>	<b>(\$945)</b>	<b>\$4,511</b>	<b>\$15,944</b>	<b>\$40,252</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,953,194	\$5,206,041	\$5,748,541	\$5,959,624	\$6,546,922
2 Access Lines	6,081	6,374	6,755	7,216	7,877
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$554,851	\$523,515	\$500,519	\$491,188	\$427,399
4 Depreciation and Amortization	742,285	771,103	802,886	814,600	1,013,529
5 Other Operations Expense	2,203,086	2,177,854	1,899,214	1,878,985	2,066,302
6 Total Operation Expenses	3,500,222	3,472,472	3,202,618	3,184,773	3,507,230
7 Income Taxes - Operating Taxes	86,830	128,032	764,125	1,460,606	743,259
8 Other Taxes - Operating Taxes	173,363	247,313	362,710	322,555	324,144
9 Capital Costs	1,192,779	1,358,224	1,419,088	991,690	1,972,289
10 Total	\$4,953,194	\$5,206,041	\$5,748,541	\$5,959,624	\$6,546,922
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	11.2	10.1	8.7	8.2	6.5
12 Depreciation and Amortization	15.0	14.8	14.0	13.7	15.5
13 Other Operations Expense	44.5	41.8	33.0	31.5	31.6
14 Income Taxes - Operating Taxes	1.8	2.5	13.3	24.5	11.4
15 Other Taxes - Operating Taxes	3.5	4.8	6.3	5.4	5.0
16 Capital Costs	24.1	26.1	24.7	16.6	30.1
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	91.24	82.13	74.10	68.07	54.26
19 Depreciation and Amortization	122.07	120.98	118.86	112.89	128.67
20 Other Operations Expense	362.29	341.68	281.16	260.39	262.32
21 Income Taxes - Operating Taxes	14.28	20.09	113.12	202.41	94.36
22 Other Taxes - Operating Taxes	28.51	38.80	53.70	44.70	41.15
23 Capital Costs	196.15	213.09	210.08	137.43	250.39
24 Total	814.54	816.76	851.01	825.89	831.14

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,150,796	\$1,963,546	\$1,905,303	\$1,924,076	\$1,908,648	1
Central Office Assets	11,934,773	11,678,758	11,511,208	11,348,050	11,090,654	2
Information Origination/Termination	80,781	69,302	69,302	54,492	52,030	3
Cable And Wire Facilities	12,189,637	11,964,458	11,775,903	11,400,035	11,048,365	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>26,355,987</b>	<b>25,676,064</b>	<b>25,261,716</b>	<b>24,726,653</b>	<b>24,099,697</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	211,483	386,373	165,954	132,868	334,183	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>26,567,470</b>	<b>26,062,437</b>	<b>25,427,670</b>	<b>24,859,521</b>	<b>24,433,880</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	22,257,499	21,573,258	20,844,630	20,128,627	19,554,560	14
<b>Net Total Utility Plant</b>	<b>\$4,309,971</b>	<b>\$4,489,179</b>	<b>\$4,583,040</b>	<b>\$4,730,894</b>	<b>\$4,879,320</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.97	1.21	2.16	2.20	1.00	16
Total Capitalization	\$4,747,940	\$11,906,553	\$10,933,122	\$9,438,079	\$9,760,326	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	28.69	37.02	65.57	-138.95	24.97	22
Com. Stock Dividends as a % of Earnings	489.0%			112.5%	146.3%	23
Return on Common Equity	9.8%	8.4%	14.5%	27.8%	14.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	553.3%	575.8%	670.9%	591.9%	469.2%	25
CWIP as a % of Plant	0.8%	1.5%	0.7%	0.5%	1.4%	26

Current Assets	1,359,272	1,309,830	2,026,038	2,025,079	1,930,944
Current Liabilities	1,398,385	1,080,261	940,014	919,257	1,927,856
Total Capitalization	4,747,940	11,906,553	10,933,122	9,438,079	9,760,326
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,747,940	11,906,553	10,933,122	9,438,079	9,760,326
Short-Term Debt					
Pretax Income	1,272,640	1,480,089	2,355,500	4,098,000	2,257,309
Interest Expense	44,364	39,977	35,921	(29,492)	90,389
Common Dividends Paid	4,000,000			3,000,000	2,100,000
Net Income (Excl. Preferred Stock Dividends)	818,021	957,816	1,480,545	2,666,886	1,435,115
Internal Cash	2,794,511	3,654,821	3,811,862	2,519,265	3,461,090
Cash Outflows for Construction	(505,031)	(634,767)	(568,150)	(425,639)	(737,730)
CWIP	211,483	386,373	165,954	132,867	334,183
Total Plant	26,567,470	26,062,437	25,427,669	24,859,520	24,433,880
Shares Outstanding	100	100	100	100	100
Number of Employees	9	9	9	9	9

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	474,423	\$127,981	\$892,749	\$1,627,068	\$2,339,430	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,589,673	1,806,573	2,514,667	3,059,689	3,034,273	2
Changes in Deferred Income Taxes	171,690	171,690	272,018	(585,583)	(274,527)	3
Changes in Working Capital	445,562	465,014	(326,757)	499,708	367,498	4
Capitalized AFDC - Equity						5
Other	(108,311)	(167,510)	161,740	(90,170)	52,148	6
Total Non-Cash Items	2,098,614	2,275,767	2,621,668	2,883,644	3,179,391	7
Net Cash Provided From Operating Activities	<u>2,573,037</u>	<u>2,403,748</u>	<u>3,514,417</u>	<u>4,510,711</u>	<u>5,518,822</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(391,061)	(342,734)	(302,450)	(312,504)	(748,198)	9
Purchase of Other Investments	4,018,072	(1,815,569)	(365,174)	(981,138)	(1,494,397)	10
Sale of Other Investments	(198,217)					11
Other		(249,643)	(307,123)	(265,422)	(287,630)	12
Net Cash Provided From Investing Activities	<u>3,428,794</u>	<u>(2,407,946)</u>	<u>(974,747)</u>	<u>(1,559,064)</u>	<u>(2,530,225)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(6,000,000)		(2,500,000)	(3,000,000)	(3,000,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(6,000,000)</u>		<u>(2,500,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,831	(4,198)	39,670	(48,353)	(11,404)	21
Cash & Equivalents at Beginning of Year	(1,834)	2,364	(37,307)	11,046	22,449	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>(\$3)</b>	<b>(\$1,834)</b>	<b>\$2,364</b>	<b>(\$37,307)</b>	<b>\$11,046</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$7,099,933	\$7,386,531	\$8,837,853	\$10,193,931	\$12,040,485
2 Access Lines	7,756	8,301	9,283	10,821	13,072
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$762,100	\$861,923	\$996,744	\$1,092,341	\$968,424
4 Depreciation and Amortization	1,589,673	1,806,573	2,514,667	3,059,689	3,034,273
5 Other Operations Expense	3,709,968	3,967,860	3,609,484	3,985,527	4,801,441
6 Total Operation Expenses	6,061,741	6,636,356	7,120,894	8,137,558	8,804,138
7 Income Taxes - Operating Taxes	(88,240)	(364,910)	364,203	906,720	1,206,771
8 Other Taxes - Operating Taxes	358,582	596,289	688,435	587,721	689,201
9 Capital Costs	767,851	518,796	664,321	561,933	1,340,375
10 Total	\$7,099,933	\$7,386,531	\$8,837,853	\$10,193,931	\$12,040,485
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	10.7	11.7	11.3	10.7	8.0
12 Depreciation and Amortization	22.4	24.5	28.5	30.0	25.2
13 Other Operations Expense	52.3	53.7	40.8	39.1	39.9
14 Income Taxes - Operating Taxes	(1.2)	(4.9)	4.1	8.9	10.0
15 Other Taxes - Operating Taxes	5.1	8.1	7.8	5.8	5.7
16 Capital Costs	10.8	7.0	7.5	5.5	11.1
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	98.26	103.83	107.37	100.95	74.08
19 Depreciation and Amortization	204.96	217.63	270.89	282.75	232.12
20 Other Operations Expense	478.34	478.00	388.83	368.31	367.31
21 Income Taxes - Operating Taxes	(11.38)	(43.96)	39.23	83.79	92.32
22 Other Taxes - Operating Taxes	46.23	71.83	74.16	54.31	52.72
23 Capital Costs	99.00	62.50	71.56	51.93	102.54
24 Total	915.41	889.84	952.05	942.05	921.09

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,447,040	\$2,386,238	\$2,423,683	\$2,476,053	\$2,544,426	1
Central Office Assets	22,881,529	22,692,607	22,550,130	22,417,753	22,245,110	2
Information Origination/Termination	275,859	268,547	261,720	251,958	240,206	3
Cable And Wire Facilities	26,800,455	26,666,837	26,529,575	26,386,635	25,967,488	4
Amortizable Assets						5
<b>Total Plant In Service</b>	52,404,883	52,014,229	51,765,108	51,532,399	50,997,230	6
Property Held For Future Use				56,888	56,888	7
Plant Under Construction	387,869	387,468	293,855	167,226	389,893	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	52,792,752	52,401,697	52,058,963	51,756,513	51,444,011	13
Less Acc. Prov. For Depreciation & Amort.	42,985,210	41,593,758	40,036,826	37,829,281	35,035,016	14
<b>Net Total Utility Plant</b>	\$9,807,542	\$10,807,939	\$12,022,137	\$13,927,232	\$16,408,995	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.84	1.10	1.42	1.16	1.34	16
Total Capitalization	\$11,762,353	\$23,287,928	\$23,159,948	\$24,767,199	\$26,140,131	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	28.58	7.19	-2.63	-1.38	-2.56	22
Com. Stock Dividends as a % of Earnings			281.9%	184.6%	128.5%	23
Return on Common Equity	2.7%	0.6%	3.7%	6.4%	8.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	896.2%	1051.0%	1594.9%	1927.9%	969.1%	25
CWIP as a % of Plant		0.7%	0.6%	0.3%	0.8%	26

Current Assets	1,562,632	1,387,473	1,715,120	2,244,739	3,027,047
Current Liabilities	1,869,012	1,262,931	1,210,275	1,928,364	2,260,011
Total Capitalization	11,762,353	23,287,928	23,159,948	24,767,199	26,140,131
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,762,353	23,287,928	23,159,948	24,767,199	26,140,131
Short-Term Debt					
Pretax Income	692,513	157,053	1,028,544	1,468,346	2,545,048
Interest Expense	24,231	21,841	(391,696)	(1,063,226)	(995,958)
Common Dividends Paid			2,500,000	3,000,000	3,000,000
Net Income (Excl. Preferred Stock Dividends)	474,429	129,712	886,741	1,624,853	2,334,235
Internal Cash	3,504,769	3,601,967	4,823,724	6,024,654	7,250,939
Cash Outflows for Construction	(391,061)	(342,734)	(302,450)	(312,504)	(748,198)
CWIP		387,468	293,855	167,226	389,893
Total Plant	52,792,752	52,401,697	52,058,963	51,756,513	51,444,011
Shares Outstanding	200	200	200	200	200
Number of Employees	8	9	10	11	11

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$304,271)	(\$148,595)	(\$58,480)	\$617,816	(\$35,964)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	292,802	231,857	455,213	581,177	570,472	2
Changes in Deferred Income Taxes	(293,276)	145,713	17,700	(34,925)	(59,039)	3
Changes in Working Capital	119,031	670,599	27,294	144,267	(236,757)	4
Capitalized AFDC - Equity						5
Other	348,358	(34,048)	(128,210)	(1,115,794)	372,678	6
Total Non-Cash Items	466,915	1,014,121	371,997	(425,275)	647,354	7
Net Cash Provided From Operating Activities	<u>162,644</u>	<u>865,526</u>	<u>313,518</u>	<u>192,541</u>	<u>611,390</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(240,162)	(768,638)	(436,079)	(508,100)	(415,681)	9
Purchase of Other Investments					359,857	10
Sale of Other Investments	221	(119)	5,078	(5,331)	(3,664)	11
Other	(27,203)	(28,527)	(47,593)	(47,705)	(46,395)	12
Net Cash Provided From Investing Activities	<u>(267,144)</u>	<u>(797,284)</u>	<u>(478,594)</u>	<u>(561,136)</u>	<u>(105,883)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt					(469,359)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(9,000)	(156,000)	(12,000)	(262,000)	(16,427)	18
Other Financing	(2,738)	(55,656)	119,958	(103,275)	(104,473)	19
Net Cash Provided From Financing Activities	<u>(11,738)</u>	<u>(211,656)</u>	<u>107,958</u>	<u>(365,275)</u>	<u>(590,259)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(116,238)	(143,414)	(57,118)	(733,870)	(84,752)	21
Cash & Equivalents at Beginning of Year	512,507	655,921	713,039	1,446,909	1,531,661	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$396,269</b>	<b>\$512,507</b>	<b>\$655,921</b>	<b>\$713,039</b>	<b>\$1,446,909</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,469,960	\$2,396,164	\$2,609,842	\$2,647,217	\$2,943,156
2 Access Lines	2,287	2,361	2,497	2,597	2,684
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,393,453	\$1,264,050	\$1,200,596	\$1,407,384	\$1,335,145
4 Depreciation and Amortization	292,802	231,857	455,215	581,178	573,361
5 Other Operations Expense	1,098,276	1,141,079	1,146,626	1,261,903	1,204,948
6 Total Operation Expenses	2,784,531	2,636,986	2,802,438	3,250,465	3,113,454
7 Income Taxes - Operating Taxes	(132,981)	(91,374)	(28,783)	(247,012)	(121,445)
8 Other Taxes - Operating Taxes	116,049	118,004	122,559	116,216	124,354
9 Capital Costs	(297,639)	(267,453)	(286,372)	(472,453)	(173,207)
10 Total	\$2,469,960	\$2,396,164	\$2,609,842	\$2,647,217	\$2,943,156
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	56.4	52.8	46.0	53.2	45.4
12 Depreciation and Amortization	11.9	9.7	17.4	22.0	19.5
13 Other Operations Expense	44.5	47.6	43.9	47.7	40.9
14 Income Taxes - Operating Taxes	(5.4)	(3.8)	(1.1)	(9.3)	(4.1)
15 Other Taxes - Operating Taxes	4.7	4.9	4.7	4.4	4.2
16 Capital Costs	(12.1)	(11.2)	(11.0)	(17.8)	(5.9)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	609.29	535.39	480.82	541.93	497.45
19 Depreciation and Amortization	128.03	98.20	182.30	223.79	213.62
20 Other Operations Expense	480.23	483.30	459.20	485.91	448.94
21 Income Taxes - Operating Taxes	(58.15)	(38.70)	(11.53)	(95.11)	(45.25)
22 Other Taxes - Operating Taxes	50.74	49.98	49.08	44.75	46.33
23 Capital Costs	(130.14)	(113.28)	(114.69)	(181.92)	(64.53)
24 Total	1,080.00	1,014.89	1,045.19	1,019.34	1,096.56

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,817,236	\$1,803,372	\$1,795,538	\$1,788,081	\$1,741,133	1
Central Office Assets	2,257,063	2,066,769	3,408,618	3,361,476	3,521,867	2
Information Origination/Termination	52,759	181,672	181,672	181,672	181,672	3
Cable And Wire Facilities	4,477,025	4,475,491	4,064,176	3,689,358	3,667,970	4
Amortizable Assets	416,447	398,040	396,059	396,059	376,464	5
<b>Total Plant In Service</b>	9,020,530	8,925,344	9,846,062	9,416,646	9,489,106	6
Property Held For Future Use						7
Plant Under Construction	90,394	315,881	166,786	369,300	102,503	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	9,110,924	9,241,224	10,012,848	9,785,946	9,591,609	13
Less Acc. Prov. For Depreciation & Amort.	5,871,426	5,948,867	7,257,391	7,006,276	6,744,192	14
<b>Net Total Utility Plant</b>	\$3,239,498	\$3,292,357	\$2,755,458	\$2,779,670	\$2,847,417	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.85	1.05	3.83	4.40	11.48	16
Total Capitalization	\$7,900,204	\$8,440,724	\$8,782,054	\$8,773,366	\$8,485,711	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!	-721.01	#DIV/0!	-4.39	22
Com. Stock Dividends as a % of Earnings	-3.0%	-105.0%	-20.5%	42.4%	-45.7%	23
Return on Common Equity	-3.7%	-1.7%	-0.7%	7.2%	-0.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	67.7%	112.6%	71.9%	72.2%	147.1%	25
CWIP as a % of Plant	1.0%	3.4%	1.7%	3.8%	1.1%	26

Current Assets	1,011,763	969,277	1,191,809	1,308,035	2,010,418
Current Liabilities	1,186,453	926,595	311,552	297,443	175,057
Total Capitalization	7,900,204	8,440,724	8,782,054	8,773,366	8,485,711
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,900,204	8,440,724	8,782,054	8,773,366	8,485,711
Short-Term Debt					
Pretax Income	(436,394)	(216,341)	(165,920)	323,881	(98,512)
Interest Expense			230		22,445
Common Dividends Paid	9,000	156,000	12,000	262,000	16,427
Net Income (Excl. Preferred Stock Dividends)	(304,271)	(148,595)	(58,480)	617,816	(35,964)
Internal Cash	162,644	865,526	313,518	192,541	611,390
Cash Outflows for Construction	(240,162)	(768,638)	(436,079)	(266,797)	(415,681)
CWIP	90,394	315,881	166,786	369,300	102,503
Total Plant	9,110,923	9,241,224	10,012,848	9,785,946	9,591,609
Shares Outstanding	800	800	800	800	800
Number of Employees	15	16	15	14	17

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$7,955	(\$152,452)	(\$99,741)	(\$93,730)	(\$110,572)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	258,925	270,547	292,721	300,995	299,073	2
Changes in Deferred Income Taxes	(26,406)	(17,695)	(71,278)	(56,104)	(20,295)	3
Changes in Working Capital	69,876	(53,520)	(322,585)	230,718	(53,838)	4
Capitalized AFDC - Equity						5
Other	(105,039)	(693)	8,999	(39,035)	(34,950)	6
Total Non-Cash Items	197,356	198,639	(92,143)	436,574	189,990	7
Net Cash Provided From Operating Activities	<u>205,311</u>	<u>46,187</u>	<u>(191,884)</u>	<u>342,844</u>	<u>79,418</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(5,025)	(76,414)	(101,256)	(400,237)	(121,467)	9
Purchase of Other Investments						10
Sale of Other Investments	7,500	2,948		(40)	60,840	11
Other	(94,027)	(90,016)	(100,993)	(80,273)	(78,211)	12
Net Cash Provided From Investing Activities	<u>(91,552)</u>	<u>(163,482)</u>	<u>(202,249)</u>	<u>(480,550)</u>	<u>(138,838)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(44,678)	(122,764)	(130,484)	(121,592)	(113,340)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt	(50,000)	26,000	410,000			17
Dividends Paid				(17,460)	(17,460)	18
Other Financing	22,495	119,357	121,512	204,784	134,083	19
Net Cash Provided From Financing Activities	<u>(72,183)</u>	<u>22,593</u>	<u>401,028</u>	<u>65,732</u>	<u>3,283</u>	20
Net Increase (Decrease) in Cash & Equivalents	41,576	(94,702)	6,895	(71,974)	(56,137)	21
Cash & Equivalents at Beginning of Year	60,348	155,050	148,155	220,129	276,266	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$101,924</b>	<b>\$60,348</b>	<b>\$155,050</b>	<b>\$148,155</b>	<b>\$220,129</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,612,681	\$1,688,590	\$1,809,792	\$1,895,944	\$1,895,494
2 Access Lines	1,460	1,517	1,567	1,648	1,732
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$988,327	\$1,068,352	\$1,068,340	\$1,134,478	\$1,096,493
4 Depreciation and Amortization	242,660	255,104	281,275	299,759	297,837
5 Other Operations Expense	495,205	566,893	536,014	599,315	614,332
6 Total Operation Expenses	1,726,192	1,890,349	1,885,629	2,033,552	2,008,662
7 Income Taxes - Operating Taxes	(89,590)	(112,772)	(74,185)	(91,111)	(65,410)
8 Other Taxes - Operating Taxes	78,015	84,852	90,236	92,804	89,365
9 Capital Costs	(101,936)	(173,839)	(91,888)	(139,301)	(137,123)
10 Total	\$1,612,681	\$1,688,590	\$1,809,792	\$1,895,944	\$1,895,494
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	61.3	63.3	59.0	59.8	57.8
12 Depreciation and Amortization	15.0	15.1	15.5	15.8	15.7
13 Other Operations Expense	30.7	33.6	29.6	31.6	32.4
14 Income Taxes - Operating Taxes	(5.6)	(6.7)	(4.1)	(4.8)	(3.5)
15 Other Taxes - Operating Taxes	4.8	5.0	5.0	4.9	4.7
16 Capital Costs	(6.3)	(10.3)	(5.1)	(7.3)	(7.2)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	676.94	704.25	681.77	688.40	633.08
19 Depreciation and Amortization	166.21	168.16	179.50	181.89	171.96
20 Other Operations Expense	339.18	373.69	342.06	363.66	354.70
21 Income Taxes - Operating Taxes	(61.36)	(74.34)	(47.34)	(55.29)	(37.77)
22 Other Taxes - Operating Taxes	53.43	55.93	57.59	56.31	51.60
23 Capital Costs	(69.82)	(114.59)	(58.64)	(84.53)	(79.17)
24 Total	1,104.58	1,113.11	1,154.94	1,150.45	1,094.40

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,527,033	\$1,617,662	\$1,614,722	\$1,613,195	\$1,612,517	1
Central Office Assets	1,381,382	1,422,446	1,385,204	1,533,953	1,507,076	2
Information Origination/Termination	63,377	63,377	63,377	63,402	63,443	3
Cable And Wire Facilities	2,122,388	2,120,980	2,100,997	2,094,220	2,079,925	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>5,094,180</b>	<b>5,224,465</b>	<b>5,164,300</b>	<b>5,304,770</b>	<b>5,262,961</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction				357,589		8
Tel. Acquisition	72,459	72,459	72,459	72,459	72,459	9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>5,166,639</b>	<b>5,296,924</b>	<b>5,236,759</b>	<b>5,734,818</b>	<b>5,335,420</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	4,015,865	3,885,735	3,629,725	3,937,556	3,638,676	14
<b>Net Total Utility Plant</b>	<b>\$1,150,774</b>	<b>\$1,411,189</b>	<b>\$1,607,034</b>	<b>\$1,797,262</b>	<b>\$1,696,744</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.08	1.08	1.12	1.21	1.93	16
Total Capitalization	\$2,427,143	\$2,513,866	\$2,763,082	\$2,583,307	\$2,816,089	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	1.2%	1.0%	2.9%	7.9%	11.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	82.6%	79.4%	77.8%	87.1%	83.8%	20
Short-Term Debt	16.2%	19.6%	19.3%	5.0%	4.3%	21
Pretax Coverage of Interest Expense	2.81	-10.14	-4.78	-5.35	-3.57	22
Com. Stock Dividends as a % of Earnings				-18.6%	-15.8%	23
Return on Common Equity	0.4%	-7.4%	-4.5%	-4.1%	-4.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	4085.8%	60.4%	-189.5%	85.7%	65.4%	25
CWIP as a % of Plant				6.2%		26

Current Assets	1,645,519	1,470,535	1,504,192	1,413,035	1,395,445
Current Liabilities	1,520,339	1,362,747	1,348,213	1,171,001	722,357
Total Capitalization	2,427,143	2,513,866	2,763,082	2,583,307	2,816,089
Long-Term Debt	29,767	25,041	80,751	203,867	334,337
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	2,004,955	1,997,000	2,149,452	2,249,193	2,360,383
Short-Term Debt	392,421	491,825	532,879	130,247	121,369
Pretax Income	(58,202)	(240,138)	(145,765)	(156,079)	(133,852)
Interest Expense	(20,694)	23,673	30,506	29,180	37,460
Common Dividends Paid				17,460	17,460
Net Income (Excl. Preferred Stock Dividends)	7,955	(152,452)	(99,741)	(93,730)	(110,572)
Internal Cash	205,311	46,187	(191,884)	342,843	79,418
Cash Outflows for Construction	(5,025)	(76,414)	(101,256)	(400,237)	(121,467)
CWIP				357,589	
Total Plant	5,166,639	5,296,924	5,236,759	5,734,818	5,335,420
Shares Outstanding	873	873	873	873	873
Number of Employees	9	9	10	10	10

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$62,903	\$65,923	\$118,781	\$742,811	\$173,614	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	424,951	475,000	431,047	475,698	518,841	2
Changes in Deferred Income Taxes	(86,033)	(24,319)	1,848	45,469	(117,206)	3
Changes in Working Capital	440,908	(60,859)	(239,722)	(152,691)	(210,719)	4
Capitalized AFDC - Equity						5
Other	(255,568)	(16,390)	(47,111)	(719,272)	(165,001)	6
Total Non-Cash Items	524,258	373,432	146,062	(350,796)	25,915	7
Net Cash Provided From Operating Activities	<u>587,161</u>	<u>439,355</u>	<u>264,843</u>	<u>392,015</u>	<u>199,529</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(216,159)	(251,135)	(260,931)	(389,633)	(431,664)	9
Purchase of Other Investments	(83,361)	309,136	227,080	14,077	3,998	10
Sale of Other Investments	(3,784)	(3,586)	(1,284)	1,248	(3,646)	11
Other						12
Net Cash Provided From Investing Activities	<u>(303,304)</u>	<u>54,415</u>	<u>(35,135)</u>	<u>(374,308)</u>	<u>(431,312)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(23,164)	(31,859)	(81,127)	(77,571)	(73,831)	14
Common Stock	(227,500)	(618,703)	(300,000)			15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(227,500)	(227,500)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(250,664)</u>	<u>(650,562)</u>	<u>(381,127)</u>	<u>(305,071)</u>	<u>(301,331)</u>	20
Net Increase (Decrease) in Cash & Equivalents	33,193	(156,792)	(151,419)	(287,364)	(533,114)	21
Cash & Equivalents at Beginning of Year	339,775	496,567	647,986	935,351	1,468,465	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$372,968</b>	<b>\$339,775</b>	<b>\$496,567</b>	<b>\$647,986</b>	<b>\$935,351</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,251,838	\$2,245,736	\$2,406,946	\$2,482,030	\$2,687,746
2 Access Lines	3,136	3,378	3,608	3,882	4,184
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,048,385	\$942,713	\$976,910	\$1,084,003	\$1,196,534
4 Depreciation and Amortization	414,780	464,658	420,705	473,546	518,328
5 Other Operations Expense	965,903	844,304	893,603	945,806	792,164
6 Total Operation Expenses	2,429,068	2,251,675	2,291,218	2,503,355	2,507,026
7 Income Taxes - Operating Taxes	(96,445)	(45,432)	(2,874)	(56,577)	25,134
8 Other Taxes - Operating Taxes	117,527	120,944	122,649	138,587	156,555
9 Capital Costs	(198,312)	(81,451)	(4,047)	(103,335)	(969)
10 Total	\$2,251,838	\$2,245,736	\$2,406,946	\$2,482,030	\$2,687,746
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	46.6	42.0	40.6	43.7	44.5
12 Depreciation and Amortization	18.4	20.7	17.5	19.1	19.3
13 Other Operations Expense	42.9	37.6	37.1	38.1	29.5
14 Income Taxes - Operating Taxes	(4.3)	(2.0)	(0.1)	(2.3)	0.9
15 Other Taxes - Operating Taxes	5.2	5.4	5.1	5.6	5.8
16 Capital Costs	(8.8)	(3.6)	(0.2)	(4.2)	(0.0)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	334.31	279.07	270.76	279.24	285.98
19 Depreciation and Amortization	132.26	137.55	116.60	121.99	123.88
20 Other Operations Expense	308.00	249.94	247.67	243.64	189.33
21 Income Taxes - Operating Taxes	(30.75)	(13.45)	(0.80)	(14.57)	6.01
22 Other Taxes - Operating Taxes	37.48	35.80	33.99	35.70	37.42
23 Capital Costs	(63.24)	(24.11)	(1.12)	(26.62)	(0.23)
24 Total	718.06	664.81	667.11	639.37	642.39

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,008,274	\$2,006,782	\$1,929,633	\$1,944,720	\$1,949,099	1
Central Office Assets	4,515,825	4,430,614	4,401,627	4,323,903	4,290,194	2
Information Origination/Termination	145,154	145,154	145,154	145,154	145,154	3
Cable And Wire Facilities	5,849,230	5,808,990	5,725,023	5,630,842	5,213,493	4
Amortizable Assets	290	290	290	290	290	5
<b>Total Plant In Service</b>	<b>12,518,773</b>	<b>12,391,830</b>	<b>12,201,727</b>	<b>12,044,909</b>	<b>11,598,230</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	4,095			2,019	183,915	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>12,522,868</b>	<b>12,391,830</b>	<b>12,201,727</b>	<b>12,046,928</b>	<b>11,782,145</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	10,415,885	10,073,838	9,649,813	9,326,696	8,967,713	14
<b>Net Total Utility Plant</b>	<b>\$2,106,983</b>	<b>\$2,317,992</b>	<b>\$2,551,914</b>	<b>\$2,720,232</b>	<b>\$2,814,432</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	2.02	6.91	7.02	2.77	3.11	16
Total Capitalization	\$6,743,782	\$6,748,491	\$7,331,044	\$7,593,030	\$7,166,619	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	1.6%	1.9%	2.2%	3.2%	4.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	95.7%	98.1%	97.8%	96.8%	95.6%	20
Short-Term Debt	2.7%					21
Pretax Coverage of Interest Expense	-32.61	17.23	17.71	41.02	7.03	22
Com. Stock Dividends as a % of Earnings	361.7%	938.5%	252.6%	30.6%	131.0%	23
Return on Common Equity	1.0%	1.0%	1.6%	10.5%	2.5%	24
Internal Cash Generated as a % of Cash Outflows for Construction	271.6%	174.9%	101.5%	100.6%	46.2%	25
CWIP as a % of Plant	0.0%			0.0%	1.6%	26

Current Assets	1,031,410	1,084,615	1,191,852	1,481,825	1,552,394
Current Liabilities	509,864	156,852	169,796	534,012	499,698
Total Capitalization	6,743,782	6,748,491	7,331,044	7,593,030	7,166,619
Long-Term Debt	105,130	128,294	160,153	241,280	318,851
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,453,652	6,620,197	7,170,891	7,351,750	6,847,768
Short-Term Debt	185,000				
Pretax Income	(33,489)	20,370	122,160	705,949	250,524
Interest Expense	1,027	1,182	6,899	17,208	35,660
Common Dividends Paid	227,500	618,703	300,000	227,500	227,500
Net Income (Excl. Preferred Stock Dividends)	62,903	65,923	118,781	742,811	173,614
Internal Cash	587,161	439,355	264,842	392,015	199,529
Cash Outflows for Construction	(216,159)	(251,135)	(260,931)	(389,633)	(431,664)
CWIP	4,095			2,019	183,915
Total Plant	12,522,868	12,391,830	12,201,727	12,046,928	11,782,145
Shares Outstanding	1,300	1,300	1,300	1,300	1,300
Number of Employees	17	18	17	17	21

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$378,003)	(\$94,619)	(\$112,647)	(\$142,570)	\$174,466	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,046,050	753,774	867,453	920,907	1,550,327	2
Changes in Deferred Income Taxes	(225,050)	15,787	92,856	164,187	(253,905)	3
Changes in Working Capital	397,246	147,225	27,519	(275,789)	(781,040)	4
Capitalized AFDC - Equity						5
Other	166,190	176,607	104,762	42,649	223,405	6
Total Non-Cash Items	1,384,436	1,093,393	1,092,590	851,954	738,787	7
Net Cash Provided From Operating Activities	<u>1,006,433</u>	<u>998,774</u>	<u>979,943</u>	<u>709,384</u>	<u>913,253</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,062,482)	(1,218,047)	(1,126,897)	(775,500)	(994,661)	9
Purchase of Other Investments					(300,000)	10
Sale of Other Investments	10,456	(16,252)	5,123	4,816	81,557	11
Other						12
Net Cash Provided From Investing Activities	<u>(1,052,026)</u>	<u>(1,234,299)</u>	<u>(1,121,774)</u>	<u>(770,684)</u>	<u>(1,213,104)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(77,929)	(72,323)	(284,866)	(271,148)	(256,627)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(98,600)	(98,600)	(98,600)	(98,600)	(98,600)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(176,529)</u>	<u>(170,923)</u>	<u>(383,466)</u>	<u>(369,748)</u>	<u>(355,227)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(222,122)	(406,448)	(525,297)	(431,048)	(655,078)	21
Cash & Equivalents at Beginning of Year	1,179,530	1,585,978	2,111,275	2,542,323	3,197,401	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$957,408</b>	<b>\$1,179,530</b>	<b>\$1,585,978</b>	<b>\$2,111,275</b>	<b>\$2,542,323</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,259,778	\$4,433,141	\$4,569,064	\$4,670,397	\$5,716,151
2 Access Lines	5,407	5,846	6,038	6,376	6,778
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$2,059,496	\$2,114,713	\$2,114,856	\$2,101,875	\$2,100,032
4 Depreciation and Amortization	1,045,487	753,199	841,381	920,907	1,550,327
5 Other Operations Expense	1,075,531	979,977	1,017,626	1,064,024	1,002,375
6 Total Operation Expenses	4,180,514	3,847,889	3,973,863	4,086,806	4,652,734
7 Income Taxes - Operating Taxes	(88,131)	64,639	73,993	56,570	148,226
8 Other Taxes - Operating Taxes	310,904	301,695	310,325	319,357	325,835
9 Capital Costs	(143,509)	218,918	210,883	207,664	589,356
10 Total	\$4,259,778	\$4,433,141	\$4,569,064	\$4,670,397	\$5,716,151
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	48.3	47.7	46.3	45.0	36.7
12 Depreciation and Amortization	24.5	17.0	18.4	19.7	27.1
13 Other Operations Expense	25.2	22.1	22.3	22.8	17.5
14 Income Taxes - Operating Taxes	(2.1)	1.5	1.6	1.2	2.6
15 Other Taxes - Operating Taxes	7.3	6.8	6.8	6.8	5.7
16 Capital Costs	(3.4)	4.9	4.6	4.4	10.3
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	380.89	361.74	350.26	329.65	309.83
19 Depreciation and Amortization	193.36	128.84	139.35	144.43	228.73
20 Other Operations Expense	198.91	167.63	168.54	166.88	147.89
21 Income Taxes - Operating Taxes	(16.30)	11.06	12.25	8.87	21.87
22 Other Taxes - Operating Taxes	57.50	51.61	51.40	50.09	48.07
23 Capital Costs	(26.54)	37.45	34.93	32.57	86.95
24 Total	787.83	758.32	756.72	732.50	843.34

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,577,113	\$3,556,657	\$3,455,598	\$3,385,012	\$3,135,067	1
Central Office Assets	8,141,733	7,944,444	7,144,469	6,928,713	6,653,180	2
Information Origination/Termination	65,524	67,071	67,832	69,264	70,966	3
Cable And Wire Facilities	11,763,946	11,236,945	11,050,186	10,864,426	10,583,427	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>23,548,316</b>	<b>22,805,117</b>	<b>21,718,085</b>	<b>21,247,415</b>	<b>20,442,640</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	359,444	443,639	467,618	53,970	246,046	8
Tel. Acquisition						9
Other Plant	(50)	(50)	(50)	(50)	(50)	10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>23,907,710</b>	<b>23,248,706</b>	<b>22,185,653</b>	<b>21,301,335</b>	<b>20,688,636</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	18,516,868	17,847,674	17,136,424	16,510,528	15,751,168	14
<b>Net Total Utility Plant</b>	<b>\$5,390,842</b>	<b>\$5,401,032</b>	<b>\$5,049,229</b>	<b>\$4,790,807</b>	<b>\$4,937,468</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	4.04	12.10	10.20	18.66	12.44	16
Total Capitalization	\$8,753,617	\$9,308,149	\$9,573,691	\$10,069,804	\$10,582,122	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	12.0%	12.1%	12.5%	14.7%	16.6%	18
Preferred Stock						19
Common Stock & Retained Earnings	88.0%	87.9%	87.5%	85.3%	83.4%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	-7.02	0.14	0.20	0.19	3.10	22
Com. Stock Dividends as a % of Earnings	-26.1%	-104.2%	-87.5%	-69.2%	56.5%	23
Return on Common Equity	-4.8%	-1.1%	-1.3%	-1.6%	2.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	94.7%	82.0%	87.0%	91.5%	91.8%	25
CWIP as a % of Plant	1.5%	1.9%	2.1%	0.3%	1.2%	26

Current Assets	2,007,741	2,389,302	2,933,408	3,414,352	3,699,444
Current Liabilities	496,660	197,406	287,627	182,964	297,435
Total Capitalization	8,753,617	9,308,149	9,573,691	10,069,804	10,582,122
Long-Term Debt	1,048,844	1,126,773	1,199,096	1,483,962	1,755,110
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	7,704,773	8,181,376	8,374,595	8,585,842	8,827,012
Short-Term Debt					
Pretax Income	(443,873)	13,085	22,254	33,275	471,730
Interest Expense	63,246	91,917	111,893	171,965	152,131
Common Dividends Paid	98,600	98,600	98,600	98,600	98,600
Net Income (Excl. Preferred Stock Dividends)	(378,003)	(94,619)	(112,647)	(142,570)	174,466
Internal Cash	1,006,433	998,774	979,943	709,384	913,254
Cash Outflows for Construction	(1,062,482)	(1,218,047)	(1,126,897)	(775,500)	(994,661)
CWIP	359,444	443,639	467,618	53,970	246,046
Total Plant	23,907,710	23,248,706	22,185,653	21,301,335	20,688,636
Shares Outstanding	580	580	580	580	580
Number of Employees	30	32	35	36	36

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$1,638,090,791)	(\$1,484,168,850)	(\$591,174,690)	(\$860,599,054)	(\$911,515,356)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,213,505,532	1,217,966,993	1,229,000,198	1,333,465,921	1,404,258,778	2
Changes in Deferred Income Taxes	(376,559,295)	91,524,748	125,181,991	(181,696,747)	(244,036,543)	3
Changes in Working Capital	(235,726,795)	(58,124,000)	(108,720,527)	(287,495,633)	28,061,187	4
Capitalized AFDC - Equity						5
Other	1,338,773,118	1,471,761,988	219,939,052	419,042,839	553,732,375	6
Total Non-Cash Items	1,939,992,560	2,723,129,730	1,465,400,714	1,283,316,379	1,742,015,797	7
Net Cash Provided From Operating Activities	<u>301,901,769</u>	<u>1,238,960,880</u>	<u>874,226,024</u>	<u>422,717,325</u>	<u>830,500,441</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)	(1,369,455,620)	(1,328,229,759)	9
Purchase of Other Investments		(243,900)	(2,877,094)	1,383,730	(26,361,051)	10
Sale of Other Investments	31,703,000	64,649,720	53,638,000	(55,269,478)	75,476,889	11
Other	(6,996,430)	(10,799,820)	(79,173,000)			12
Net Cash Provided From Investing Activities	<u>(1,112,705,685)</u>	<u>(1,150,229,048)</u>	<u>(1,332,970,081)</u>	<u>(1,423,341,368)</u>	<u>(1,279,113,921)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(1,000,000,000)	(400,000,000)		(250,000,000)		14
Common Stock				6,938		15
Preferred Stock						16
Short-Term Debt	1,818,684,493	318,184,404	451,691,329	785,343,805	(1,562,357,241)	17
Dividends Paid						18
Other Financing	(2,615,124)	(6,916,237)	7,052,729	465,273,302	2,010,968,085	19
Net Cash Provided From Financing Activities	<u>816,069,369</u>	<u>(88,731,833)</u>	<u>457,771,844</u>	<u>534,180,601</u>	<u>433,175,257</u>	20
Net Increase (Decrease) in Cash & Equivalents	5,265,453	(1)	(972,213)	(466,443,441)	(15,438,222)	21
Cash & Equivalents at Beginning of Year	(0)	1	1,231,034	467,674,475	483,112,697	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$5,265,453</b>	<b>(\$0)</b>	<b>\$258,820</b>	<b>\$1,231,034</b>	<b>\$467,674,475</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679	\$5,453,306,123	\$5,446,265,183
2 Access Lines	4,116,624	4,665,881	5,277,272	5,992,778	6,801,105
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$4,102,532,586	\$3,975,787,157	\$2,936,291,598	\$2,904,729,672	\$3,355,944,666
4 Depreciation and Amortization	1,213,505,532	1,217,966,993	1,229,000,198	1,333,465,921	1,404,258,778
5 Other Operations Expense	2,073,097,107	2,046,021,754	2,127,242,426	1,974,468,596	1,752,622,955
6 Total Operation Expenses	7,389,135,225	7,239,775,904	6,292,534,222	6,212,664,189	6,512,826,400
7 Income Taxes - Operating Taxes	(1,067,172,236)	(986,825,930)	(677,380,007)	(541,454,956)	(532,448,533)
8 Other Taxes - Operating Taxes	463,372,993	420,077,795	450,691,662	466,543,046	481,126,927
9 Capital Costs	(1,763,503,797)	(1,690,682,996)	(889,889,198)	(684,446,156)	(1,015,239,610)
10 Total	\$5,021,832,185	\$4,982,344,773	\$5,175,956,679	\$5,453,306,123	\$5,446,265,183
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	81.7	79.8	56.7	53.3	61.6
12 Depreciation and Amortization	24.2	24.4	23.7	24.5	25.8
13 Other Operations Expense	41.3	41.1	41.1	36.2	32.2
14 Income Taxes - Operating Taxes	(21.3)	(19.8)	(13.1)	(9.9)	(9.8)
15 Other Taxes - Operating Taxes	9.2	8.4	8.7	8.6	8.8
16 Capital Costs	(35.1)	(33.9)	(17.2)	(12.6)	(18.6)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	996.58	852.10	556.40	484.71	493.44
19 Depreciation and Amortization	294.78	261.04	232.89	222.51	206.48
20 Other Operations Expense	503.59	438.51	403.10	329.47	257.70
21 Income Taxes - Operating Taxes	(259.23)	(211.50)	(128.36)	(90.35)	(78.29)
22 Other Taxes - Operating Taxes	112.56	90.03	85.40	77.85	70.74
23 Capital Costs	(428.39)	(362.35)	(168.63)	(114.21)	(149.28)
24 Total	1,219.89	1,067.83	980.80	909.98	800.79

**Notes:**

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

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

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,311,665,669	\$3,362,887,657	\$3,457,685,558	\$3,493,101,498	\$3,455,344,153	1
Central Office Assets	9,235,659,759	11,298,110,583	11,634,028,203	11,544,489,127	11,732,866,459	2
Information Origination/Termination	189,115,838	257,751,813	326,827,625	376,661,037	441,041,359	3
Cable And Wire Facilities	15,841,309,270	14,197,055,055	15,358,946,511	14,606,858,045	13,814,431,763	4
Amortizable Assets	907,063,296	283,809,331	311,500,828	321,423,702	386,716,275	5
<b>Total Plant In Service</b>	29,484,813,832	29,399,614,439	31,088,988,725	30,342,533,410	29,830,400,009	6
Property Held For Future Use				1,757,345		7
Plant Under Construction	309,454,674	270,657,792	216,957,298	181,377,665	235,450,947	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	9,429,471	15,397,450	13,007,288	16,435,541	18,717,181	11
Goodwill						12
<b>Total Telecommunications Plant</b>	29,803,697,977	29,685,669,681	31,318,953,310	30,542,103,962	30,084,568,137	13
Less Acc. Prov. For Depreciation & Amort.	19,187,261,951	19,126,125,850	20,840,004,083	20,202,690,440	19,735,045,854	14
<b>Net Total Utility Plant</b>	\$10,616,436,026	\$10,559,543,832	\$10,478,949,227	\$10,339,413,522	\$10,349,522,283	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.16	0.21	0.22	0.34	0.43	16
Total Capitalization	\$4,318,817,262	\$5,017,865,064	\$6,723,324,529	\$6,703,395,963	\$7,030,850,843	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	29.0%	44.9%	33.5%	39.5%	37.7%	18
Preferred Stock						19
Common Stock & Retained Earnings	-54.9%	-17.0%	11.5%	18.0%	29.4%	20
Short-Term Debt	125.9%	72.1%	55.1%	42.5%	32.9%	21
Pretax Coverage of Interest Expense	-7.92	-6.20	-3.27	-3.73	-3.79	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	101.6%	3612.3%	-59.9%	-52.7%	-82.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	26.5%	102.9%	67.0%	30.9%	62.5%	25
CWIP as a % of Plant	1.0%	0.9%	0.7%	0.6%	0.8%	26

Current Assets	967,117,679	970,776,212	1,061,263,345	1,467,431,405	1,680,677,520
Current Liabilities	5,994,294,183	4,614,761,501	4,806,996,212	4,363,676,084	3,948,883,272
Total Capitalization	4,318,817,262	5,017,865,064	6,723,324,529	6,703,395,963	7,030,850,843
Long-Term Debt	1,250,713,781	2,250,735,680	2,251,102,617	2,649,688,104	2,651,160,078
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(2,370,554,036)	(852,802,724)	770,630,761	1,203,798,402	2,064,589,184
Short-Term Debt	5,438,657,517	3,619,932,108	3,701,591,151	2,849,909,457	2,315,101,582
Pretax Income	(2,401,271,531)	(2,114,458,214)	(962,842,087)	(1,101,597,409)	(1,397,068,859)
Interest Expense	303,059,066	341,143,136	294,758,451	295,536,035	368,219,306
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(1,638,090,791)	(1,484,168,850)	(591,174,690)	(860,599,054)	(1,239,620,202)
Internal Cash	301,901,769	1,238,960,880	874,226,024	422,717,325	830,500,441
Cash Outflows for Construction	(1,137,412,255)	(1,203,835,048)	(1,304,557,987)	(1,369,455,620)	(1,328,229,759)
CWIP	309,454,674	270,657,792	216,957,298	181,377,665	235,450,947
Total Plant	29,803,697,975	29,685,669,681	31,318,953,310	30,542,103,962	30,084,568,139
Shares Outstanding	1	1	1	1	1
Number of Employees	16,223	16,397	19,673	20,548	22,562

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$122,203	(\$276,516)	(\$331,421)	\$368,490	\$169,739	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	407,179	\$513,969	591,808	612,513	584,293	2
Changes in Deferred Income Taxes	15,823	(42,935)	(29,970)	227,896	(302,369)	3
Changes in Working Capital	409,984	137,153	(452,405)	(61,510)	227,368	4
Capitalized AFDC - Equity						5
Other	(238,229)	76,635	(197,966)	(784,097)	(89,467)	6
Total Non-Cash Items	594,757	684,822	(88,533)	(5,198)	419,825	7
Net Cash Provided From Operating Activities	<u>716,960</u>	<u>408,306</u>	<u>(419,954)</u>	<u>363,292</u>	<u>589,564</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(190,985)	(182,098)	(185,359)	(432,320)	(373,590)	9
Purchase of Other Investments	(792,696)	(293,526)	(274,465)	(1,585,789)	(269,628)	10
Sale of Other Investments	311,560	303,507	953,389	1,484,383	458,908	11
Other					1,700,000	12
Net Cash Provided From Investing Activities	<u>(672,121)</u>	<u>(172,117)</u>	<u>493,565</u>	<u>(533,726)</u>	<u>1,515,690</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(78,500)	(53,095)	(37,551)	(35,597)	(146,774)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid					(1,700,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(78,500)</u>	<u>(53,095)</u>	<u>(37,551)</u>	<u>(35,597)</u>	<u>(1,846,774)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(33,661)	183,094	36,060	(206,031)	258,480	21
Cash & Equivalents at Beginning of Year	378,672	195,578	159,518	365,549	107,069	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$345,011</b>	<b>\$378,672</b>	<b>\$195,578</b>	<b>\$159,518</b>	<b>\$365,549</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	2,636,847	\$2,540,848	\$2,524,657	\$2,922,394	\$2,877,436
2 Access Lines	2,812	2,987	3,147	3,267	3,424
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,515,539	\$1,442,021	\$1,493,698	\$1,485,758	\$1,458,840
4 Depreciation and Amortization	406,963	511,246	563,765	588,068	583,106
5 Other Operations Expense	691,749	733,077	784,829	380,355	805,562
6 Total Operation Expenses	2,614,251	2,686,344	2,842,292	2,454,181	2,847,508
7 Income Taxes - Operating Taxes	(51,570)	(108,054)	(211,335)	43,995	(91,389)
8 Other Taxes - Operating Taxes	144,176	168,103	174,985	172,104	197,290
9 Capital Costs	(70,010)	(205,545)	(281,285)	252,114	(75,973)
10 Total	\$2,636,847	\$2,540,848	\$2,524,657	\$2,922,394	\$2,877,436
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	57.5	56.8	59.2	50.8	50.7
12 Depreciation and Amortization	15.4	20.1	22.3	20.1	20.3
13 Other Operations Expense	26.2	28.9	31.1	13.0	28.0
14 Income Taxes - Operating Taxes	(2.0)	(4.3)	(8.4)	1.5	(3.2)
15 Other Taxes - Operating Taxes	5.5	6.6	6.9	5.9	6.9
16 Capital Costs	(2.7)	(8.1)	(11.1)	8.6	(2.6)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	538.95	482.77	474.64	454.78	426.06
19 Depreciation and Amortization	144.72	171.16	179.14	180.00	170.30
20 Other Operations Expense	246.00	245.42	249.39	116.42	235.27
21 Income Taxes - Operating Taxes	(18.34)	(36.17)	(67.15)	13.47	(26.69)
22 Other Taxes - Operating Taxes	51.27	56.28	55.60	52.68	57.62
23 Capital Costs	(24.90)	(68.81)	(89.38)	77.17	(22.19)
24 Total	937.71	850.64	802.24	894.52	840.37

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,657,712	\$2,662,111	\$2,680,058	\$2,680,058	\$2,668,041	1
Central Office Assets	3,197,373	3,159,974	3,120,567	2,978,869	3,037,118	2
Information Origination/Termination	82,387	83,613	85,061	86,816	87,408	3
Cable And Wire Facilities	5,428,657	5,321,102	5,237,149	5,171,167	4,877,137	4
Amortizable Assets	45	45	45	45	45	5
<b>Total Plant In Service</b>	<b>11,366,174</b>	<b>11,226,845</b>	<b>11,122,880</b>	<b>10,916,955</b>	<b>10,669,749</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	31,788	46,095	30,436	70,137	237,143	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>11,397,962</b>	<b>11,272,940</b>	<b>11,153,316</b>	<b>10,987,092</b>	<b>10,906,892</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	8,932,359	8,576,991	8,101,865	7,533,546	7,268,678	14
<b>Net Total Utility Plant</b>	<b>\$2,465,603</b>	<b>\$2,695,949</b>	<b>\$3,051,451</b>	<b>\$3,453,546</b>	<b>\$3,638,214</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.51	6.05	-9.97	0.92	1.41	16
Total Capitalization	\$4,500,607	\$4,241,557	\$4,533,378	\$4,945,639	\$4,895,312	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	15.0%	17.7%	17.8%	17.0%	17.9%	18
Preferred Stock						19
Common Stock & Retained Earnings	85.0%	82.3%	82.2%	83.0%	82.1%	20
Short-Term Debt						21
Pretax Coverage of Interest Expense	3.87	-6.46	-7.69	5.27	1.89	22
Com. Stock Dividends as a % of Earnings					1001.5%	23
Return on Common Equity	3.3%	-7.7%	-8.5%	9.1%	3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	375.4%	224.2%	-226.6%	84.0%	157.8%	25
CWIP as a % of Plant	0.3%	0.4%	0.3%	0.6%	2.2%	26

Current Assets	648,224	718,253	550,811	527,331	760,370
Current Liabilities	428,418	118,714	(55,241)	571,502	538,561
Total Capitalization	4,500,607	4,241,557	4,533,378	4,945,639	4,895,312
Long-Term Debt	673,792	752,292	805,387	842,938	878,535
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,826,815	3,489,265	3,727,991	4,102,701	4,016,777
Short-Term Debt					
Pretax Income	114,048	(327,638)	(498,391)	448,547	193,729
Interest Expense	29,481	50,738	64,847	85,150	102,271
Common Dividends Paid					1,700,000
Net Income (Excl. Preferred Stock Dividends)	122,203	(276,516)	(331,421)	368,490	169,739
Internal Cash	716,960	408,306	(419,954)	363,292	589,564
Cash Outflows for Construction	(190,985)	(182,098)	(185,359)	(432,320)	(373,590)
CWIP	31,788	46,095	30,436	70,137	237,143
Total Plant	11,397,962	11,272,940	11,153,316	10,987,092	10,906,892
Shares Outstanding	23	23	23	23	23
Number of Employees	20	20	20	23	23

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$637,654)	(\$13,909)	(\$227,115)	(\$121,323)	(\$528,063)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	284,999	290,941	299,350	445,273	532,424	2
Changes in Deferred Income Taxes	(249,465)	(168,238)	(291,898)	1,963	9,313	3
Changes in Working Capital	(106,836)	264,186	845,153	(9,423)	95,027	4
Capitalized AFDC - Equity						5
Other	446,677	(54,657)	15,410	(187,623)	139,899	6
Total Non-Cash Items	375,375	332,232	868,015	250,190	776,663	7
Net Cash Provided From Operating Activities	<u>(262,279)</u>	<u>318,323</u>	<u>640,900</u>	<u>128,867</u>	<u>248,600</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(28,356)	(82,982)	(49,231)	(348,421)	(334,523)	9
Purchase of Other Investments	15,426	(10,209)	(588,362)	63,916	(73,422)	10
Sale of Other Investments	1,723	13,725			(2,502)	11
Other						12
Net Cash Provided From Investing Activities	<u>(11,207)</u>	<u>(79,466)</u>	<u>(637,593)</u>	<u>(284,505)</u>	<u>(410,447)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(180,146)	(241,363)	(226,692)	(212,970)	(200,221)	14
Common Stock						15
Preferred Stock					(13,324)	16
Short-Term Debt	(18,503)	22,685	(10,134)	(26,774)	(8,067)	17
Dividends Paid	(7,034)	(8,067)	(8,067)	(8,067)		18
Other Financing	393,124					19
Net Cash Provided From Financing Activities	<u>187,441</u>	<u>(226,745)</u>	<u>(244,893)</u>	<u>(247,811)</u>	<u>(221,612)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(86,045)	12,112	(241,586)	(403,449)	(383,459)	21
Cash & Equivalents at Beginning of Year	128,098	115,986	357,572	761,021	1,144,480	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$42,053</b>	<b>\$128,098</b>	<b>\$115,986</b>	<b>\$357,572</b>	<b>\$761,021</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,746,260	\$2,157,188	\$2,277,533	\$2,457,366	\$2,793,775
2 Access Lines	1,419	1,556	1,706	1,865	2,201
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$565,501	\$1,036,957	\$1,227,171	\$1,284,388	\$1,439,605
4 Depreciation and Amortization	257,511	259,412	265,627	410,645	525,701
5 Other Operations Expense	973,465	727,037	815,898	896,038	923,781
6 Total Operation Expenses	1,796,477	2,023,406	2,308,696	2,591,071	2,889,087
7 Income Taxes - Operating Taxes	(99,166)	(54,461)	(104,313)	(119,544)	(185,621)
8 Other Taxes - Operating Taxes	133,788	139,883	151,966	147,005	152,317
9 Capital Costs	(84,840)	48,360	(78,816)	(\$161,166)	(\$62,008)
10 Total	\$1,746,260	\$2,157,188	\$2,277,533	\$2,457,366	\$2,793,775
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	32.4	48.1	53.9	52.3	51.5
12 Depreciation and Amortization	14.7	12.0	11.7	16.7	18.8
13 Other Operations Expense	55.7	33.7	35.8	36.5	33.1
14 Income Taxes - Operating Taxes	(5.7)	(2.5)	(4.6)	(4.9)	(6.6)
15 Other Taxes - Operating Taxes	7.7	6.5	6.7	6.0	5.5
16 Capital Costs	(4.9)	2.2	(3.5)	(6.6)	(2.2)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	398.52	666.42	719.33	688.68	654.07
19 Depreciation and Amortization	181.47	166.72	155.70	220.19	238.85
20 Other Operations Expense	686.02	467.25	478.25	480.45	419.71
21 Income Taxes - Operating Taxes	(69.88)	(35.00)	(61.14)	(64.10)	(84.33)
22 Other Taxes - Operating Taxes	94.28	89.90	89.08	78.82	69.20
23 Capital Costs	(59.79)	31.08	(46.20)	(86.42)	(28.17)
24 Total	1,230.63	1,386.37	1,335.01	1,317.62	1,269.32

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,851,753	\$2,866,695	\$2,997,056	\$2,970,852	\$2,880,796	1
Central Office Assets	1,771,251	1,766,772	1,786,517	3,214,924	3,009,596	2
Information Origination/Termination	205,230	205,230	205,230	207,958	207,958	3
Cable And Wire Facilities	5,031,315	5,012,230	4,972,331	4,961,191	4,928,981	4
Amortizable Assets	150	150	150	150	150	5
<b>Total Plant In Service</b>	9,859,699	9,851,077	9,961,285	11,355,075	11,027,481	6
Property Held For Future Use						7
Plant Under Construction	588	1,128	27,666	11,508	34,338	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	9,860,287	9,852,205	9,988,951	11,366,583	11,061,819	13
Less Acc. Prov. For Depreciation & Amort.	7,844,470	7,573,937	7,491,166	8,647,472	8,223,424	14
<b>Net Total Utility Plant</b>	\$2,015,817	\$2,278,268	\$2,497,785	\$2,719,111	\$2,838,395	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.83	0.76	1.02	3.52	2.88	16
Total Capitalization	\$2,474,849	\$2,925,064	\$3,165,718	\$3,659,026	\$4,028,744	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	46.4%	45.0%	47.4%	47.6%	48.8%	18
Preferred Stock	4.0%	3.4%	3.2%	2.7%	2.5%	19
Common Stock & Retained Earnings	41.5%	43.7%	41.1%	42.5%	41.9%	20
Short-Term Debt	8.1%	7.9%	8.4%	7.1%	6.9%	21
Pretax Coverage of Interest Expense	-6.59	0.47	-1.56	-0.45	-1.62	22
Com. Stock Dividends as a % of Earnings	-0.2%	-10.4%	-0.9%	-1.6%	-0.4%	23
Return on Common Equity	-55.8%	-1.5%	-16.3%	-7.9%	-27.3%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-924.9%	383.6%	1301.8%	37.0%	74.5%	25
CWIP as a % of Plant	0.0%	0.0%	0.3%	0.1%	0.3%	26

Current Assets	828,294	687,668	625,151	1,597,013	2,286,080
Current Liabilities	1,001,355	910,728	611,056	453,391	792,997
Total Capitalization	2,474,849	2,925,064	3,165,718	3,659,026	4,028,744
Long-Term Debt	1,148,343	1,316,784	1,498,984	1,741,894	1,965,865
Preferred Stock	100,000	100,000	100,000	100,000	100,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,026,724	1,278,290	1,300,266	1,556,749	1,686,723
Short-Term Debt	199,782	229,990	266,468	260,383	276,156
Pretax Income	(640,176)	59,631	(200,916)	(72,071)	(313,123)
Interest Expense	97,076	125,740	128,662	161,465	193,655
Common Dividends Paid	1,034	2,067	2,067	2,067	2,067
Net Income (Excl. Preferred Stock Dividends)	(643,654)	(19,909)	(233,115)	(127,323)	(533,479)
Internal Cash	(262,279)	318,323	640,900	128,867	249,184
Cash Outflows for Construction	(28,356)	(82,982)	(49,231)	(348,421)	(334,523)
CWIP	588	1,128	27,666	11,508	34,338
Total Plant	9,860,287	9,852,205	9,988,951	11,366,583	11,061,819
Shares Outstanding	689	689	689	689	689
Number of Employees	14	16	17	17	15

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$264,554	\$568,674	\$1,501,054	\$1,972,992	\$1,654,407	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	2,158,526	2,128,298	2,095,799	2,079,198	2,064,042	2
Changes in Deferred Income Taxes	(78,672)	(78,672)	164,329	323,689	(399,161)	3
Changes in Working Capital	1,354,927	398,933	408,710	(947,123)	428,156	4
Capitalized AFDC - Equity						5
Other	(145,936)	(672,113)	(628,873)	(1,250,390)	3,066,064	6
Total Non-Cash Items	3,288,845	1,776,447	2,039,966	205,374	5,159,101	7
Net Cash Provided From Operating Activities	<u>3,553,399</u>	<u>2,345,121</u>	<u>3,541,020</u>	<u>2,178,366</u>	<u>6,813,508</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(588,896)	(519,557)	(704,079)	(986,135)	(1,289,962)	9
Purchase of Other Investments	(2,383,585)	(1,813,512)	(2,805,521)	(1,009,525)	(2,569,822)	10
Sale of Other Investments					7,348	11
Other	(56,706)	(58,490)	(101,597)	(224,132)		12
Net Cash Provided From Investing Activities	<u>(3,029,187)</u>	<u>(2,391,559)</u>	<u>(3,611,197)</u>	<u>(2,219,792)</u>	<u>(3,852,436)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(522,681)	49,946	46,399	44,838	(2,958,083)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(522,681)</u>	<u>49,946</u>	<u>46,399</u>	<u>44,838</u>	<u>(2,958,083)</u>	20
Net Increase (Decrease) in Cash & Equivalents	1,532	3,509	(23,778)	3,412	2,989	21
Cash & Equivalents at Beginning of Year	(1,532)	(5,041)	18,736	15,325	12,335	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>(\$0)</b>	<b>(\$1,532)</b>	<b>(\$5,041)</b>	<b>\$18,736</b>	<b>\$15,325</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$7,626,528	\$8,019,602	\$8,773,815	\$8,515,619	\$9,167,205
2 Access Lines	11,046	12,225	13,484	14,723	16,310
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,073,687	\$1,091,261	\$1,074,064	\$973,887	\$970,481
4 Depreciation and Amortization	2,158,526	2,128,298	2,095,799	2,079,198	2,064,042
5 Other Operations Expense	3,539,533	3,251,254	2,425,845	2,222,234	2,156,158
6 Total Operation Expenses	6,771,746	6,470,813	5,595,709	5,275,319	5,190,682
7 Income Taxes - Operating Taxes	(103,734)	26,752	638,431	1,094,237	838,254
8 Other Taxes - Operating Taxes	450,356	627,711	689,284	673,155	688,689
9 Capital Costs	508,160	894,326	1,850,391	1,472,908	2,449,580
10 Total	\$7,626,528	\$8,019,602	\$8,773,815	\$8,515,619	\$9,167,205
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	14.1	13.6	12.2	11.4	10.6
12 Depreciation and Amortization	28.3	26.5	23.9	24.4	22.5
13 Other Operations Expense	46.4	40.5	27.6	26.1	23.5
14 Income Taxes - Operating Taxes	(1.4)	0.3	7.3	12.8	9.1
15 Other Taxes - Operating Taxes	5.9	7.8	7.9	7.9	7.5
16 Capital Costs	6.7	11.2	21.1	17.3	26.7
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	97.20	89.26	79.65	66.15	59.50
19 Depreciation and Amortization	195.41	174.09	155.43	141.22	126.55
20 Other Operations Expense	320.44	265.95	179.91	150.94	132.20
21 Income Taxes - Operating Taxes	(9.39)	2.19	47.35	74.32	51.40
22 Other Taxes - Operating Taxes	40.77	51.35	51.12	45.72	42.22
23 Capital Costs	46.00	73.16	137.23	100.04	150.19
24 Total	690.43	656.00	650.68	578.39	562.06

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,262,443	\$3,268,439	\$3,260,102	\$3,292,234	\$3,222,397	1
Central Office Assets	20,424,002	20,133,459	19,838,454	19,621,585	19,204,732	2
Information Origination/Termination	134,008	134,008	134,008	134,008	134,008	3
Cable And Wire Facilities	23,484,253	23,202,493	22,938,735	22,387,806	21,596,891	4
Amortizable Assets						5
<b>Total Plant In Service</b>	47,304,706	46,738,399	46,171,299	45,435,633	44,158,028	6
Property Held For Future Use						7
Plant Under Construction	314,487	291,899	339,440	371,028	662,500	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	47,619,193	47,030,298	46,510,739	45,806,661	44,820,527	13
Less Acc. Prov. For Depreciation & Amort.	37,928,414	35,826,594	33,756,769	31,762,567	29,907,502	14
<b>Net Total Utility Plant</b>	\$9,690,779	\$11,203,704	\$12,753,970	\$14,044,094	\$14,913,025	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.54	0.76	0.97	1.19	0.78	16
Total Capitalization	\$32,502,259	\$32,908,082	\$32,969,960	\$32,063,459	\$30,650,442	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	1.1%	1.5%	3.6%	5.6%	7.8%	18
Preferred Stock						19
Common Stock & Retained Earnings	98.5%	96.4%	94.5%	92.5%	90.3%	20
Short-Term Debt	0.4%	2.0%	1.9%	1.9%	1.8%	21
Pretax Coverage of Interest Expense	6.72	8.67	17.59	21.32	11.18	22
Com. Stock Dividends as a % of Earnings						23
Return on Common Equity	0.8%	1.8%	4.9%	6.9%	6.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	722.4%	591.9%	597.3%	279.9%	581.7%	25
CWIP as a % of Plant	0.7%	0.6%	0.7%	0.8%	1.5%	26

Current Assets	1,589,578	1,597,088	2,059,585	2,493,566	1,818,185
Current Liabilities	2,921,099	2,102,217	2,129,618	2,094,979	2,323,817
Total Capitalization	32,502,259	32,908,082	32,969,960	32,063,459	30,650,442
Long-Term Debt	359,477	502,624	1,172,862	1,803,554	2,398,108
Preferred Stock				-	-
Common Stock and Retained Earnings (Excl. Preferred Stock)	31,999,634	31,735,079	31,166,405	29,665,351	27,692,359
Short-Term Debt	143,148	670,379	630,693	594,553	559,975
Pretax Income	407,340	920,000	2,499,663	3,218,140	2,737,546
Interest Expense	60,596	106,132	142,130	150,911	244,885
Common Dividends Paid				-	-
Net Income (Excl. Preferred Stock Dividends)	264,553	568,674	1,501,055	1,972,992	1,654,407
Internal Cash	4,254,208	3,075,391	4,205,753	2,759,755	7,504,165
Cash Outflows for Construction	(588,896)	(519,557)	(704,079)	(986,135)	(1,289,962)
CWIP	314,487	291,899	339,440	371,029	662,500
Total Plant	47,619,193	47,030,298	46,510,741	45,806,661	44,820,528
Shares Outstanding	131,026	131,026	131,026	131,026	131,026
Number of Employees	14	15	15	15	22

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$211,035	\$146,937	(\$135,817)	(\$172,718)	\$47,451	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	578,687	599,794	606,765	711,120	854,507	2
Changes in Deferred Income Taxes	(1,399)	77,363	(32,734)	73,378	31,488	3
Changes in Working Capital	(92,645)	(51,092)	100,202	(516,649)	(6,888)	4
Capitalized AFDC - Equity						5
Other	(165,517)	(161,638)	7,734	108,730	(185,907)	6
Total Non-Cash Items	319,126	464,427	681,967	376,579	693,200	7
Net Cash Provided From Operating Activities	<u>530,161</u>	<u>611,364</u>	<u>546,150</u>	<u>203,861</u>	<u>740,651</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(356,000)	(165,484)	(27,176)	(211,467)	(547,158)	9
Purchase of Other Investments	(1,967,155)	(568,998)	(664,594)	(705,539)	(771,423)	10
Sale of Other Investments	1,660,086	311,241	389,057	331,210	421,124	11
Other						12
Net Cash Provided From Investing Activities	<u>(663,069)</u>	<u>(423,241)</u>	<u>(302,713)</u>	<u>(585,796)</u>	<u>(897,457)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(338,593)	(208,051)		(704,121)	(123,155)	14
Common Stock			(100)			15
Preferred Stock	(200)	(1,400)	(608,024)			16
Short-Term Debt						17
Dividends Paid	(3,786)	(3,813)	(3,888)	(3,888)	(3,888)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(342,579)</u>	<u>(213,264)</u>	<u>(612,012)</u>	<u>(708,009)</u>	<u>(127,043)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(475,487)	(25,141)	(368,575)	(1,089,944)	(283,849)	21
Cash & Equivalents at Beginning of Year	1,014,304	1,039,444	1,408,019	2,497,963	2,781,812	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$538,817</b>	<b>\$1,014,304</b>	<b>\$1,039,444</b>	<b>\$1,408,019</b>	<b>\$2,497,963</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,820,077	\$3,410,376	\$2,452,351	\$2,798,051	\$3,002,841
2 Access Lines	2,129	2,327	2,635	2,972	3,289
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$851,740	\$820,433	\$886,315	\$1,140,599	\$1,070,661
4 Depreciation and Amortization	555,350	586,851	606,765	711,121	848,036
5 Other Operations Expense	1,130,383	1,448,320	839,430	995,728	963,887
6 Total Operation Expenses	2,537,473	2,855,604	2,332,510	2,847,448	2,882,584
7 Income Taxes - Operating Taxes	(2,543)	22,077	(176,050)	(168,630)	(96,712)
8 Other Taxes - Operating Taxes	210,129	211,266	218,124	218,582	226,760
9 Capital Costs	75,018	321,429	77,767	(99,349)	(9,791)
10 Total	\$2,820,077	\$3,410,376	\$2,452,351	\$2,798,051	\$3,002,841
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	30.2	24.1	36.1	40.8	35.7
12 Depreciation and Amortization	19.7	17.2	24.7	25.4	28.2
13 Other Operations Expense	40.1	42.5	34.2	35.6	32.1
14 Income Taxes - Operating Taxes	(0.1)	0.6	(7.2)	(6.0)	(3.2)
15 Other Taxes - Operating Taxes	7.5	6.2	8.9	7.8	7.6
16 Capital Costs	2.7	9.4	3.2	(3.6)	(0.3)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	400.07	352.57	336.36	383.78	325.53
19 Depreciation and Amortization	260.85	252.19	230.27	239.27	257.84
20 Other Operations Expense	530.95	622.40	318.57	335.04	293.06
21 Income Taxes - Operating Taxes	(1.19)	9.49	(66.81)	(56.74)	(29.40)
22 Other Taxes - Operating Taxes	98.70	90.79	82.78	73.55	68.94
23 Capital Costs	35.24	138.13	29.51	(33.43)	(2.98)
24 Total	1,324.60	1,465.57	930.68	941.47	913.00

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$3,576,600	\$3,549,096	\$4,049,758	\$4,036,724	\$3,933,448	1
Central Office Assets	4,696,324	4,693,772	5,784,550	5,782,304	5,858,395	2
Information Origination/Termination	12,466	13,057	13,582	14,921	15,997	3
Cable And Wire Facilities	5,494,153	5,484,906	5,444,078	5,422,768	5,387,198	4
Amortizable Assets	43,125	43,125	43,125	43,125	43,125	5
<b>Total Plant In Service</b>	<b>13,822,668</b>	<b>13,783,956</b>	<b>15,335,093</b>	<b>15,299,842</b>	<b>15,238,163</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	426	441	142	8,095	36,814	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>13,823,094</b>	<b>13,784,397</b>	<b>15,335,235</b>	<b>15,307,937</b>	<b>15,274,977</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	9,696,016	9,238,403	10,289,963	9,674,772	9,133,130	14
<b>Net Total Utility Plant</b>	<b>\$4,127,078</b>	<b>\$4,545,994</b>	<b>\$5,045,272</b>	<b>\$5,633,165</b>	<b>\$6,141,847</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.35	1.58	2.39	2.04	28.74	16
Total Capitalization	\$13,009,160	\$13,198,841	\$13,544,827	\$13,473,195	\$15,981,141	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	25.7%	27.9%	28.8%	33.4%	32.6%	18
Preferred Stock	0.3%	0.3%	0.3%	0.3%	0.2%	19
Common Stock & Retained Earnings	74.0%	71.8%	71.0%	66.3%	67.2%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	2.24	1.73	-0.56	-0.07	1.03	22
Com. Stock Dividends as a % of Earnings	0.9%	1.2%	-1.3%	-1.0%	4.0%	23
Return on Common Equity	2.2%	1.5%	-1.5%	-1.8%	0.4%	24
Internal Cash Generated as a % of Cash Outflows for Construction	148.9%	369.4%	2009.7%	96.4%	135.4%	25
CWIP as a % of Plant	0.0%	0.0%	0.0%	0.1%	0.2%	26

Current Assets	2,655,333	2,815,018	2,400,833	2,852,666	3,538,118
Current Liabilities	1,965,211	1,780,064	1,004,993	1,398,433	123,121
Total Capitalization	13,009,160	13,198,841	13,544,827	13,473,195	15,981,141
Long-Term Debt	3,348,800	3,687,392	3,895,443	4,503,467	5,207,588
Preferred Stock	33,150	33,350	34,750	34,850	34,850
Common Stock and Retained Earnings (Excl. Preferred Stock)	9,627,210	9,478,099	9,614,634	8,934,878	10,738,703
Short-Term Debt					
Pretax Income	379,806	591,887	(122,869)	(17,101)	284,711
Interest Expense	169,618	342,802	221,073	256,600	275,112
Common Dividends Paid	1,797	1,797	1,797	1,797	1,797
Net Income (Excl. Preferred Stock Dividends)	209,046	144,921	(137,908)	(174,809)	45,360
Internal Cash	530,161	611,364	546,151	203,861	740,652
Cash Outflows for Construction	(356,000)	(165,484)	(27,176)	(211,467)	(547,158)
CWIP	426	441	142	8,095	36,814
Total Plant	13,823,094	13,784,397	15,335,235	15,307,937	15,274,977
Shares Outstanding	1,702	1,702	1,702	1,702	1,702
Number of Employees	12	13	14	18	17

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$191,430	(\$21,788)	\$125,635	\$169,036	\$315,013	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	602,633	600,324	593,297	587,210	510,884	2
Changes in Deferred Income Taxes	85,616	(23,940)	38,557	(33,538)	25,600	3
Changes in Working Capital	(812,850)	(157,022)	(340,757)	(515,976)	(244,579)	4
Capitalized AFDC - Equity						5
Other	(8,397)	39,549	104,266	(28,905)	(193,543)	6
Total Non-Cash Items	(132,998)	458,911	395,363	8,791	98,362	7
Net Cash Provided From Operating Activities	<u>58,432</u>	<u>437,123</u>	<u>520,998</u>	<u>177,827</u>	<u>413,375</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(107,912)	(303,696)	(168,764)	(276,929)	145,255	9
Purchase of Other Investments	(1,013,637)	(555,531)	(569,994)	(601,579)	(620,548)	10
Sale of Other Investments	1,041,689	1,167,019	590,403	665,033	712,453	11
Other	(3,497)	49,476				12
Net Cash Provided From Investing Activities	<u>(83,357)</u>	<u>357,268</u>	<u>(148,355)</u>	<u>(213,475)</u>	<u>237,160</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(239,413)	(357,530)	(308,516)	(207,692)	(233,471)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt		(39,533)			(13,134)	17
Dividends Paid	(43,928)	(43,686)	(43,532)	(43,466)	(70,828)	18
Other Financing				(113,614)	(148,837)	19
Net Cash Provided From Financing Activities	<u>(283,341)</u>	<u>(440,749)</u>	<u>(352,048)</u>	<u>(364,772)</u>	<u>(466,270)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(308,266)	353,642	20,595	(400,420)	184,265	21
Cash & Equivalents at Beginning of Year	664,568	310,926	290,331	690,752	506,487	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$356,302</b>	<b>\$664,568</b>	<b>\$310,926</b>	<b>\$290,331</b>	<b>\$690,752</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$3,610,130	\$3,296,261	\$3,480,943	\$3,369,015	\$3,330,312
2 Access Lines	2,307	2,587	2,938	3,517	3,944
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,217,304	\$1,181,208	\$998,944	\$1,071,224	\$1,016,615
4 Depreciation and Amortization	601,433	599,124	592,098	586,010	510,884
5 Other Operations Expense	1,360,035	1,395,821	1,331,990	1,251,269	1,347,010
6 Total Operation Expenses	3,178,772	3,176,153	2,923,032	2,908,503	2,874,509
7 Income Taxes - Operating Taxes	73,308	(24,095)	(20,593)	(28,844)	24,980
8 Other Taxes - Operating Taxes	162,480	155,480	244,892	259,494	253,169
9 Capital Costs	195,570	(11,277)	333,612	229,862	177,654
10 Total	\$3,610,130	\$3,296,261	\$3,480,943	\$3,369,015	\$3,330,312
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	33.7	35.8	28.7	31.8	30.5
12 Depreciation and Amortization	16.7	18.2	17.0	17.4	15.3
13 Other Operations Expense	37.7	42.3	38.3	37.1	40.4
14 Income Taxes - Operating Taxes	2.0	(0.7)	(0.6)	(0.9)	0.8
15 Other Taxes - Operating Taxes	4.5	4.7	7.0	7.7	7.6
16 Capital Costs	5.4	(0.3)	9.6	6.8	5.3
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	527.66	456.59	340.01	304.58	257.76
19 Depreciation and Amortization	260.70	231.59	201.53	166.62	129.53
20 Other Operations Expense	589.53	539.55	453.37	355.78	341.53
21 Income Taxes - Operating Taxes	31.78	(9.31)	(7.01)	(8.20)	6.33
22 Other Taxes - Operating Taxes	70.43	60.10	83.35	73.78	64.19
23 Capital Costs	84.77	(4.36)	113.55	65.36	45.04
24 Total	1,564.86	1,274.16	1,184.80	957.92	844.40

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b><u>Plant In Service</u></b>						
General Support Assets	\$2,579,895	\$2,449,951	\$2,331,420	\$2,253,115	\$2,174,248	1
Central Office Assets	3,698,814	3,716,579	3,659,465	3,629,737	3,501,152	2
Information Origination/Termination	115,689	117,318	97,796	95,198	95,343	3
Cable And Wire Facilities	6,530,424	6,452,762	6,347,519	6,287,254	6,234,076	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>12,924,822</b>	<b>12,736,610</b>	<b>12,436,200</b>	<b>12,265,304</b>	<b>12,004,819</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	22,936	111,995	84,217	93,755	101,804	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>12,947,758</b>	<b>12,848,605</b>	<b>12,520,417</b>	<b>12,359,059</b>	<b>12,106,623</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	5,747,843	5,206,547	4,596,333	4,033,379	3,475,124	14
<b>Net Total Utility Plant</b>	<b>\$7,199,915</b>	<b>\$7,642,058</b>	<b>\$7,924,084</b>	<b>\$8,325,680</b>	<b>\$8,631,499</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	3.29	2.72	2.43	2.07	1.73	16
Total Capitalization	\$10,281,407	\$10,300,084	\$10,634,446	\$10,631,080	\$10,768,664	17
<b><u>Percent Of Capitalization (Incl. S-T- Debt)</u></b>						
Long-Term Debt	6.5%	8.0%	9.7%	11.7%	13.4%	18
Preferred Stock						19
Common Stock & Retained Earnings	90.6%	88.9%	86.1%	84.2%	82.4%	20
Short-Term Debt	2.9%	3.1%	4.2%	4.2%	4.2%	21
Pretax Coverage of Interest Expense	6.01	0.36	2.82	2.28	3.57	22
Com. Stock Dividends as a % of Earnings	22.9%	-200.5%	34.6%	25.7%	22.5%	23
Return on Common Equity	2.1%	-0.2%	1.4%	1.9%	3.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	54.1%	143.9%	282.3%	83.5%	-271.2%	25
CWIP as a % of Plant	0.2%	0.9%	0.7%	0.8%	0.8%	26

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$12,014	\$31,819	\$48,597	\$83,745	\$96,084	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	106,226	96,163	87,812	53,696	54,162	2
Changes in Deferred Income Taxes	(6,168)	57,134	(21,888)	(5,528)	(6,319)	3
Changes in Working Capital	143,772	(75,305)	10,306	8,372	15,153	4
Capitalized AFDC - Equity						5
Other	3,361	(5,951)	5,235	8,813	850	6
Total Non-Cash Items	247,191	72,041	81,465	65,353	63,846	7
Net Cash Provided From Operating Activities	<u>259,205</u>	<u>103,860</u>	<u>130,062</u>	<u>149,098</u>	<u>159,930</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(53,004)	(361,997)	(165,784)	(28,420)	(23,284)	9
Purchase of Other Investments				0		10
Sale of Other Investments	(25,598)	10,171		(500)	2,870	11
Other						12
Net Cash Provided From Investing Activities	<u>(78,602)</u>	<u>(351,826)</u>	<u>(165,784)</u>	<u>(28,920)</u>	<u>(20,414)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(162,000)					18
Other Financing		(607,000)		1,272	1,320	19
Net Cash Provided From Financing Activities	<u>(162,000)</u>	<u>(607,000)</u>	<u>0</u>	<u>1,272</u>	<u>1,320</u>	20
Net Increase (Decrease) in Cash & Equivalents	18,603	(854,966)	(35,722)	121,450	140,836	21
Cash & Equivalents at Beginning of Year	756,171	1,611,138	1,646,859	1,525,410	1,384,573	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$774,774</b>	<b>\$756,171</b>	<b>\$1,611,138</b>	<b>\$1,646,859</b>	<b>\$1,525,410</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$428,493	\$444,547	\$432,157	\$417,114	\$439,660
2 Access Lines	409	436	474	501	606
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$92,869	\$96,698	\$0		
4 Depreciation and Amortization	106,226	96,163	87,805	\$53,696	\$54,163
5 Other Operations Expense	223,939	158,071	247,554	238,530	274,118
6 Total Operation Expenses	423,034	350,932	335,359	292,226	328,281
7 Income Taxes - Operating Taxes	(6,962)	23,962	22,696	34,399	30,687
8 Other Taxes - Operating Taxes	26,733	25,268	32,357	31,552	30,697
9 Capital Costs	(14,312)	44,385	41,745	58,937	49,995
10 Total	\$428,493	\$444,547	\$432,157	\$417,114	\$439,660
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	21.7	21.8	0.0	0.0	0.0
12 Depreciation and Amortization	24.8	21.6	20.3	12.9	12.3
13 Other Operations Expense	52.3	35.6	57.3	57.2	62.3
14 Income Taxes - Operating Taxes	(1.6)	5.4	5.3	8.2	7.0
15 Other Taxes - Operating Taxes	6.2	5.7	7.5	7.6	7.0
16 Capital Costs	(3.3)	10.0	9.7	14.1	11.4
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	227.06	221.78	0.00	0.00	0.00
19 Depreciation and Amortization	259.72	220.56	185.24	107.18	89.38
20 Other Operations Expense	547.53	362.55	522.27	476.11	452.34
21 Income Taxes - Operating Taxes	(17.02)	54.96	47.88	68.66	50.64
22 Other Taxes - Operating Taxes	65.36	57.95	68.26	62.98	50.65
23 Capital Costs	(34.99)	101.80	88.07	117.64	82.50
24 Total	1,047.66	1,019.60	911.72	832.56	725.51

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$139,798	\$139,798	\$365,959	\$169,858	\$169,858	1
Central Office Assets	397,993	342,254	377,125	416,178	420,675	2
Information Origination/Termination				14	294	3
Cable And Wire Facilities	1,005,807	996,718	949,342	938,554	927,003	4
Amortizable Assets	8,024	10,884	10,246	11,926	10,330	5
<b>Total Plant In Service</b>	<b>1,551,622</b>	<b>1,489,654</b>	<b>1,702,672</b>	<b>1,536,530</b>	<b>1,528,160</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	194	2,240	32,084	20,506	10,308	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>1,551,816</b>	<b>1,491,894</b>	<b>1,734,756</b>	<b>1,557,036</b>	<b>1,538,468</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	723,973	636,427	1,134,953	1,035,205	991,859	14
<b>Net Total Utility Plant</b>	<b>\$827,843</b>	<b>\$855,467</b>	<b>\$599,803</b>	<b>\$521,831</b>	<b>\$546,609</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	5.79	12.24	20.13	33.60	26.07	16
Total Capitalization	\$1,383,388	\$1,532,161	\$2,106,106	\$2,065,042	\$1,980,024	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	18643.00	#DIV/0!	#DIV/0!	927.37	#DIV/0!	22
Com. Stock Dividends as a % of Earnings	1348.4%	1907.7%	0.0%	0.0%	0.0%	23
Return on Common Equity	0.8%	1.7%	2.3%	4.1%	5.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	489.0%	28.7%	78.5%	524.6%	686.9%	25
CWIP as a % of Plant	0.0%	0.2%	1.8%	1.3%	0.7%	26

Current Assets	827,356	884,913	1,671,939	1,693,621	1,603,669
Current Liabilities	142,938	72,315	83,048	50,405	61,512
Total Capitalization	1,383,388	1,532,161	2,106,106	2,065,042	1,980,024
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,383,388	1,532,161	2,106,106	2,065,042	1,980,024
Short-Term Debt					
Pretax Income	18,643	49,030	74,859	131,687	151,588
Interest Expense	1			142	
Common Dividends Paid	162,000	607,000			
Net Income (Excl. Preferred Stock Dividends)	12,014	31,819	48,597	83,745	96,084
Internal Cash	259,205	103,860	130,063	149,097	159,931
Cash Outflows for Construction	(53,004)	(361,997)	(165,784)	(28,420)	(23,284)
CWIP	194	2,240	32,084	20,506	10,308
Total Plant	1,551,816	1,491,894	1,734,756	1,557,036	1,538,468
Shares Outstanding	100	100	100	151	149
Number of Employees	0	0	0	0	0

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$16,892	(\$81,476)	(\$106,973)	(\$101,087)	(\$32,797)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	144,478	237,257	336,642	301,174	262,124	2
Changes in Deferred Income Taxes	(70,855)	(52,756)	(61,346)	(63,513)	(50,368)	3
Changes in Working Capital	(32,782)	(19,806)	(11,801)	20,782	95,564	4
Capitalized AFDC - Equity						5
Other	(258,399)	(33,237)	99,717	(92,453)	3,786	6
Total Non-Cash Items	(217,558)	131,458	363,213	165,990	311,106	7
Net Cash Provided From Operating Activities	<u>(200,666)</u>	<u>49,982</u>	<u>256,240</u>	<u>64,903</u>	<u>278,309</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(17,483)	(13,654)	(31,329)	(117,095)	(164,203)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other	(4,664)	(9,605)	(2,061)	(10,356)	(4,437)	12
Net Cash Provided From Investing Activities	<u>(22,147)</u>	<u>(23,259)</u>	<u>(33,390)</u>	<u>(127,451)</u>	<u>(168,640)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(16,800)	(42,000)		(16,800)	(126,000)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(16,800)</u>	<u>(42,000)</u>		<u>(16,800)</u>	<u>(126,000)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(239,613)	(15,277)	222,850	(79,348)	(16,331)	21
Cash & Equivalents at Beginning of Year	664,901	680,178	457,328	536,676	553,007	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$425,288</b>	<b>\$664,901</b>	<b>\$680,178</b>	<b>\$457,328</b>	<b>\$536,676</b>	<b>23</b>

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,199,333	\$1,313,222	\$1,361,845	\$1,416,789	\$1,542,785
2 Access Lines	824	905	947	992	1,153
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$785,398	\$807,167	\$828,658	\$922,322	\$937,379
4 Depreciation and Amortization	144,478	237,257	336,642	301,174	262,124
5 Other Operations Expense	435,731	342,653	306,318	311,247	347,440
6 Total Operation Expenses	1,365,607	1,387,077	1,471,619	1,534,744	1,546,944
7 Income Taxes - Operating Taxes	(70,615)	(52,843)	(61,808)	(44,544)	(34,154)
8 Other Taxes - Operating Taxes	70,092	67,380	70,421	70,673	84,141
9 Capital Costs	(165,750)	(88,392)	(118,386)	(144,084)	(54,146)
10 Total	\$1,199,333	\$1,313,222	\$1,361,845	\$1,416,789	\$1,542,785
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	65.5	61.5	60.8	65.1	60.8
12 Depreciation and Amortization	12.0	18.1	24.7	21.3	17.0
13 Other Operations Expense	36.3	26.1	22.5	22.0	22.5
14 Income Taxes - Operating Taxes	(5.9)	(4.0)	(4.5)	(3.1)	(2.2)
15 Other Taxes - Operating Taxes	5.8	5.1	5.2	5.0	5.5
16 Capital Costs	(13.8)	(6.7)	(8.7)	(10.2)	(3.5)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	953.15	891.90	875.03	929.76	812.99
19 Depreciation and Amortization	175.34	262.16	355.48	303.60	227.34
20 Other Operations Expense	528.80	378.62	323.46	313.76	301.34
21 Income Taxes - Operating Taxes	(85.70)	(58.39)	(65.27)	(44.90)	(29.62)
22 Other Taxes - Operating Taxes	85.06	74.45	74.36	71.24	72.98
23 Capital Costs	(201.15)	(97.67)	(125.01)	(145.25)	(46.96)
24 Total	1,455.50	1,451.07	1,438.06	1,428.21	1,338.06

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$781,461	\$997,551	\$1,004,708	\$1,004,708	\$1,023,541	1
Central Office Assets	1,283,234	1,966,336	1,983,648	1,976,919	1,881,770	2
Information Origination/Termination		894	894	926	974	3
Cable And Wire Facilities	1,817,878	1,807,374	1,812,928	1,807,751	1,755,608	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>3,882,573</b>	<b>4,772,155</b>	<b>4,802,178</b>	<b>4,790,304</b>	<b>4,661,893</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	36,894	14,809	21,560	3,782	62,246	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>3,919,467</b>	<b>4,786,964</b>	<b>4,823,738</b>	<b>4,794,085</b>	<b>4,724,139</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	3,521,514	4,266,680	4,089,455	3,756,550	3,512,881	14
<b>Net Total Utility Plant</b>	<b>\$397,953</b>	<b>\$520,283</b>	<b>\$734,282</b>	<b>\$1,037,535</b>	<b>\$1,211,258</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	4.41	12.55	12.71	12.19	9.34	16
Total Capitalization	\$1,184,622	\$1,184,530	\$1,308,006	\$1,414,980	\$1,532,867	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	98.50	183.34	230.73	56.23	-32.83	22
Com. Stock Dividends as a % of Earnings	99.5%	-51.5%		-16.6%	-384.2%	23
Return on Common Equity	1.4%	-6.5%	-7.9%	-6.9%	-2.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-1147.8%	366.1%	817.9%	55.4%	169.5%	25
CWIP as a % of Plant	0.9%	0.3%	0.4%	0.1%	1.3%	26

Current Assets	863,851	939,037	912,610	768,939	786,973
Current Liabilities	195,929	74,799	71,805	63,068	84,266
Total Capitalization	1,184,622	1,184,530	1,308,006	1,414,980	1,532,867
Long-Term Debt				-	
Preferred Stock				-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,184,622	1,184,530	1,308,006	1,414,980	1,532,867
Short-Term Debt				-	
Pretax Income	(54,210)	(134,480)	(168,692)	(144,694)	(61,720)
Interest Expense	(550)	(734)	(731)	(2,573)	1,880
Common Dividends Paid	16,800	42,000		16,800	126,000
Net Income (Excl. Preferred Stock Dividends)	16,892	(81,476)	(106,973)	(101,087)	(32,797)
Internal Cash	(200,665)	49,982	256,240	64,903	278,310
Cash Outflows for Construction	(17,483)	(13,654)	(31,329)	(117,095)	(164,203)
CWIP	36,894	14,809	21,560	3,782	62,246
Total Plant	3,919,466	4,786,964	4,823,738	4,794,085	4,724,139
Shares Outstanding	1,680	1,680	1,920	1,920	1,920
Number of Employees	8	8	8	8	9

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$32,654)	(\$83,942)	(\$50,799)	\$200,938	(\$76,119)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	551,689	440,866	616,631	691,280	681,495	2
Changes in Deferred Income Taxes	(68,889)	(18,843)	(42,720)	65,738	(64,433)	3
Changes in Working Capital	29,839	102,870	(13,753)	(80,226)	175,385	4
Capitalized AFDC - Equity						5
Other	55,692	(56,731)	(17,037)	(273,775)	(57,426)	6
Total Non-Cash Items	568,331	468,162	543,121	403,017	735,021	7
Net Cash Provided From Operating Activities	<u>535,677</u>	<u>384,220</u>	<u>492,322</u>	<u>603,955</u>	<u>658,902</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(155,890)	(79,488)	(397,960)	(303,906)	(191,094)	9
Purchase of Other Investments						10
Sale of Other Investments		162,809	36,257	(11,466)	38,807	11
Other						12
Net Cash Provided From Investing Activities	<u>(155,890)</u>	<u>83,321</u>	<u>(361,703)</u>	<u>(315,372)</u>	<u>(152,287)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(38,142)	(32,274)	(35,209)	(35,208)	(35,208)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(275,000)		18
Other Financing	(324)	(6,934)	(11,381)	(10,631)	15,035	19
Net Cash Provided From Financing Activities	<u>(38,466)</u>	<u>(39,208)</u>	<u>(46,590)</u>	<u>(320,839)</u>	<u>(20,173)</u>	20
Net Increase (Decrease) in Cash & Equivalents	341,321	428,333	84,029	(32,256)	486,442	21
Cash & Equivalents at Beginning of Year	1,890,240	1,461,907	1,377,878	1,410,134	923,692	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$2,231,561</b>	<b>\$1,890,240</b>	<b>\$1,461,907</b>	<b>\$1,377,878</b>	<b>\$1,410,134</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,141,206	\$2,270,813	\$2,375,504	\$2,583,762	\$2,659,645
2 Access Lines	2,225	2,349	2,544	2,822	3,092
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$749,141	\$712,973	\$287,740	\$317,986	\$366,182
4 Depreciation and Amortization	551,690	440,866	616,629	691,279	681,495
5 Other Operations Expense	987,362	966,243	1,469,699	1,354,870	1,594,563
6 Total Operation Expenses	2,288,193	2,120,082	2,374,068	2,364,135	2,642,240
7 Income Taxes - Operating Taxes	(102,643)	6,406	(48,959)	22,853	(61,411)
8 Other Taxes - Operating Taxes	146,300	99,642	107,287	172,824	174,860
9 Capital Costs	(190,644)	44,683	(56,892)	23,950	(96,044)
10 Total	\$2,141,206	\$2,270,813	\$2,375,504	\$2,583,762	\$2,659,645
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	35.0	31.4	12.1	12.3	13.8
12 Depreciation and Amortization	25.8	19.4	26.0	26.8	25.6
13 Other Operations Expense	46.1	42.6	61.9	52.4	60.0
14 Income Taxes - Operating Taxes	(4.8)	0.3	(2.1)	0.9	(2.3)
15 Other Taxes - Operating Taxes	6.8	4.4	4.5	6.7	6.6
16 Capital Costs	(8.9)	2.0	(2.4)	0.9	(3.6)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	336.69	303.52	113.11	112.68	118.43
19 Depreciation and Amortization	247.95	187.68	242.39	244.96	220.41
20 Other Operations Expense	443.76	411.34	577.71	480.11	515.71
21 Income Taxes - Operating Taxes	(46.13)	2.73	(19.24)	8.10	(19.86)
22 Other Taxes - Operating Taxes	65.75	42.42	42.17	61.24	56.55
23 Capital Costs	(85.68)	19.02	(22.36)	8.49	(31.06)
24 Total	962.34	966.71	933.77	915.58	860.17

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$712,184	\$780,407	\$883,551	\$939,437	\$891,901	1
Central Office Assets	3,644,998	3,606,721	3,596,360	3,857,184	3,857,895	2
Information Origination/Termination	38,738	38,738	0	3,079	7,527	3
Cable And Wire Facilities	5,792,715	5,736,781	5,726,406	5,712,375	5,713,494	4
Amortizable Assets	51,909	69,883	119,235	139,561	191,837	5
<b>Total Plant In Service</b>	<b>10,240,544</b>	<b>10,232,530</b>	<b>10,325,552</b>	<b>10,651,636</b>	<b>10,662,654</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	60,712	1,768	66,004	53,259	6,898	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>10,301,256</b>	<b>10,234,298</b>	<b>10,391,556</b>	<b>10,704,895</b>	<b>10,669,552</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	7,498,539	7,035,781	6,704,062	6,803,549	6,424,571	14
<b>Net Total Utility Plant</b>	<b>\$2,802,717</b>	<b>\$3,198,517</b>	<b>\$3,687,494</b>	<b>\$3,901,346</b>	<b>\$4,244,981</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	6.49	6.55	4.73	5.01	3.86	16
Total Capitalization	\$4,625,020	\$4,695,504	\$4,818,382	\$4,874,308	\$4,994,209	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.2%	0.9%	1.7%	2.5%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	99.9%	99.1%	98.3%	97.3%	96.3%	20
Short-Term Debt	0.1%	0.8%	0.9%	0.9%	1.2%	21
Pretax Coverage of Interest Expense	-7138.29	-645.43	-97.85	-30.00	-7.15	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	0.0%	136.9%	0.0%	23
Return on Common Equity	-0.7%	-1.8%	-1.1%	4.2%	-1.6%	24
Internal Cash Generated as a % of Cash Outflows for Construction	343.6%	483.4%	123.7%	198.7%	344.8%	25
CWIP as a % of Plant	0.6%	0.0%	0.6%	0.5%	0.1%	26

Current Assets	2,667,503	2,284,792	2,014,417	1,861,145	1,968,155
Current Liabilities	411,083	349,004	425,530	371,713	509,499
Total Capitalization	4,625,020	4,695,504	4,818,382	4,874,308	4,994,209
Long-Term Debt		8,802	41,400	83,933	127,218
Preferred Stock		0	0		
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,619,152	4,651,170	4,734,840	4,744,176	4,807,339
Short-Term Debt	5,868	35,532	42,142	46,199	59,652
Pretax Income	(49,968)	(146,512)	(96,485)	312,535	(104,451)
Interest Expense	7	227	986	(10,418)	14,612
Common Dividends Paid		0	0	275,000	
Net Income (Excl. Preferred Stock Dividends)	(32,654)	(83,942)	(50,799)	200,938	(76,119)
Internal Cash	535,677	384,220	492,322	603,955	658,902
Cash Outflows for Construction	(155,890)	(79,488)	(397,960)	(303,906)	(191,094)
CWIP	60,712	1,768	66,004	53,259	6,898
Total Plant	10,301,256	10,234,298	10,391,556	10,704,895	10,669,552
Shares Outstanding	1,330	1,330	1,330	1,330	1,330
Number of Employees	3	3	5	5	5

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$295,841	\$636,230	\$534,901	\$496,690	\$366,434	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	819,216	782,346	730,717	812,996	1,021,071	2
Changes in Deferred Income Taxes	268,017	401,647	(70,452)	10,259	(166,419)	3
Changes in Working Capital	115,383	(394,512)	317,509	28,242	(260,831)	4
Capitalized AFDC - Equity						5
Other						6
Total Non-Cash Items	1,202,616	789,481	977,774	851,497	593,821	7
Net Cash Provided From Operating Activities	<u>1,498,457</u>	<u>1,425,711</u>	<u>1,512,675</u>	<u>1,348,187</u>	<u>960,255</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,607,959)	(2,853,360)	(1,015,746)	(793,300)	(767,809)	9
Purchase of Other Investments						10
Sale of Other Investments		1,300			6,500	11
Other			(17,366)			12
Net Cash Provided From Investing Activities	<u>(1,607,959)</u>	<u>(2,852,060)</u>	<u>(1,033,112)</u>	<u>(793,300)</u>	<u>(761,309)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	406,574	1,500,000				14
Common Stock		(360,000)	(360,000)	(384,000)	(384,000)	15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing	(90,750)	(109,767)	33,341	(119,940)	129,829	19
Net Cash Provided From Financing Activities	<u>315,824</u>	<u>1,030,233</u>	<u>(326,659)</u>	<u>(503,940)</u>	<u>(254,171)</u>	20
Net Increase (Decrease) in Cash & Equivalents	206,322	(396,116)	152,904	50,947	(55,225)	21
Cash & Equivalents at Beginning of Year	12,029	408,145	255,241	204,294	259,519	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$218,351</b>	<b>\$12,029</b>	<b>\$408,145</b>	<b>\$255,241</b>	<b>\$204,294</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$4,925,353	\$4,960,404	\$4,643,978	\$4,572,331	\$4,604,023
2 Access Lines	6,172	6,616	6,799	7,190	7,457
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,773,237	\$1,864,194	\$1,851,425	\$1,806,761	\$1,748,794
4 Depreciation and Amortization	819,216	782,346	730,717	812,996	1,021,071
5 Other Operations Expense	1,456,253	1,186,083	1,230,100	1,235,350	1,222,218
6 Total Operation Expenses	4,048,706	3,832,623	3,812,242	3,855,107	3,992,083
7 Income Taxes - Operating Taxes	194,093	227,146	88,849	51,491	65,323
8 Other Taxes - Operating Taxes	281,720	273,060	261,936	245,372	170,535
9 Capital Costs	400,834	627,575	480,951	420,361	376,082
10 Total	\$4,925,353	\$4,960,404	\$4,643,978	\$4,572,331	\$4,604,023
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	36.0	37.6	39.9	39.5	38.0
12 Depreciation and Amortization	16.6	15.8	15.7	17.8	22.2
13 Other Operations Expense	29.6	23.9	26.5	27.0	26.5
14 Income Taxes - Operating Taxes	3.9	4.6	1.9	1.1	1.4
15 Other Taxes - Operating Taxes	5.7	5.5	5.6	5.4	3.7
16 Capital Costs	8.1	12.7	10.4	9.2	8.2
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	287.30	281.77	272.31	251.29	234.52
19 Depreciation and Amortization	132.73	118.25	107.47	113.07	136.93
20 Other Operations Expense	235.95	179.27	180.92	171.82	163.90
21 Income Taxes - Operating Taxes	31.45	34.33	13.07	7.16	8.76
22 Other Taxes - Operating Taxes	45.64	41.27	38.53	34.13	22.87
23 Capital Costs	64.94	94.86	70.74	58.46	50.43
24 Total	798.02	749.76	683.04	635.93	617.41

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,325,107	\$2,287,537	\$2,296,676	\$2,098,527	\$2,075,991	1
Central Office Assets	8,017,813	7,599,009	6,665,813	6,729,684	6,555,628	2
Information Origination/Termination	2,935,495	2,536,921	1,621,987	333,945	333,945	3
Cable And Wire Facilities	9,925,514	9,816,256	9,670,764	9,267,322	8,738,879	4
Amortizable Assets						5
<b>Total Plant In Service</b>	23,203,929	22,239,723	20,255,240	18,429,478	17,704,443	6
Property Held For Future Use						7
Plant Under Construction	1,658,316	1,014,563				8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant			189,052	1,037,715	969,450	11
Goodwill						12
<b>Total Telecommunications Plant</b>	24,862,245	23,254,286	20,444,292	19,467,193	18,673,893	13
Less Acc. Prov. For Depreciation & Amort.	17,415,001	16,595,785	15,855,505	15,180,801	14,367,805	14
<b>Net Total Utility Plant</b>	\$7,447,244	\$6,658,501	\$4,588,787	\$4,286,392	\$4,306,088	15
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.53	0.60	3.26	11.65	13.95	16
Total Capitalization	\$6,867,497	\$6,903,272	\$4,639,465	\$4,487,046	\$4,554,539	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt						18
Preferred Stock						19
Common Stock & Retained Earnings	72.2%	78.3%	100.0%	100.0%	100.0%	20
Short-Term Debt	27.8%	21.7%				21
Pretax Coverage of Interest Expense	6.43	80.49	17822.43	9137.35	7196.95	22
Com. Stock Dividends as a % of Earnings		56.6%	67.3%	77.3%	104.8%	23
Return on Common Equity	5.7%	12.7%	11.7%	11.0%	7.8%	24
Internal Cash Generated as a % of Cash Outflows for Construction	93.2%	50.0%	148.9%	169.9%	125.1%	25
CWIP as a % of Plant						26

Current Assets	1,068,043	923,842	1,198,595	1,159,768	1,070,475
Current Liabilities	2,009,500	1,550,997	368,200	99,532	76,748
Total Capitalization	6,867,497	6,903,272	4,639,465	4,487,046	4,554,539
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,960,923	5,403,272	4,639,465	4,487,046	4,554,539
Short-Term Debt	1,906,574	1,500,000			
Pretax Income	580,173	874,237	623,785	548,241	431,817
Interest Expense	90,239	10,861	35	60	60
Common Dividends Paid		360,000	360,000	384,000	384,000
Net Income (Excl. Preferred Stock Dividends)	295,841	636,230	534,901	496,690	366,434
Internal Cash	1,498,457	1,425,711	1,512,675	1,348,187	960,255
Cash Outflows for Construction	(1,607,959)	(2,853,360)	(1,015,746)	(793,300)	(767,809)
CWIP	1,658,316	1,014,563			
Total Plant	24,862,245	23,254,286	20,444,292	19,467,193	18,673,893
Shares Outstanding	8,000	8,000	8,000	8,000	8,000
Number of Employees	25	25	25	26	25

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$3,003,040	\$3,964,560	\$2,911,273	\$2,298,751	\$5,182,383	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	3,039,119	884,190	899,773	1,279,172	1,823,488	2
Changes in Deferred Income Taxes	(103,808)	639,060	692,586		811,281	3
Changes in Working Capital	(1,004,595)	902,661	47,224	1,976,709	3,635,075	4
Capitalized AFDC - Equity						5
Other	(878,653)	(5,051,560)	(3,814,218)	(290,194)	1,222,065	6
Total Non-Cash Items	1,052,063	(2,625,649)	(2,174,635)	2,965,687	7,491,910	7
Net Cash Provided From Operating Activities	<u>4,055,103</u>	<u>1,338,911</u>	<u>736,638</u>	<u>5,264,438</u>	<u>12,674,293</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(4,055,103)	(1,338,911)	(736,638)	(2,156,247)	(311,256)	9
Purchase of Other Investments						10
Sale of Other Investments						11
Other					1,312,055	12
Net Cash Provided From Investing Activities	<u>(4,055,103)</u>	<u>(1,338,911)</u>	<u>(736,638)</u>	<u>(2,156,247)</u>	<u>1,000,799</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid				(3,115,000)	(13,908,755)	18
Other Financing				7,029		19
Net Cash Provided From Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,107,971)</u>	<u>(13,908,755)</u>	20
Net Increase (Decrease) in Cash & Equivalents	0	0	0	220	(233,664)	21
Cash & Equivalents at Beginning of Year	1,220	1,220	1,220	1,000	234,664	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,220</b>	<b>\$1,220</b>	<b>\$1,220</b>	<b>\$1,220</b>	<b>\$1,000</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$16,538,335	\$16,473,681	\$17,171,217	\$18,006,670	\$18,239,042
2 Access Lines	21,023	22,005	23,105	22,572	26,277
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	3,572,018	\$3,439,910	\$3,634,114	\$4,006,112	\$3,998,105
4 Depreciation and Amortization	3,039,119	2,638,257	2,631,331	2,769,964	2,666,490
5 Other Operations Expense	8,479,966	8,628,353	8,129,985	7,672,752	8,381,760
6 Total Operation Expenses	15,091,103	14,706,520	14,395,430	14,448,828	15,046,355
7 Income Taxes - Operating Taxes	(80,582)	(5,320)	1,681,348	1,159,138	1,638,229
8 Other Taxes - Operating Taxes	817,518	855,462	742,623	836,535	830,974
9 Capital Costs	710,296	917,019	351,816	1,562,169	723,484
10 Total	\$16,538,335	\$16,473,681	\$17,171,217	\$18,006,670	\$18,239,042
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	21.6	20.9	21.2	22.2	21.9
12 Depreciation and Amortization	18.4	16.0	15.3	15.4	14.6
13 Other Operations Expense	51.3	52.4	47.3	42.6	46.0
14 Income Taxes - Operating Taxes	(0.5)	(0.0)	9.8	6.4	9.0
15 Other Taxes - Operating Taxes	4.9	5.2	4.3	4.6	4.6
16 Capital Costs	4.3	5.6	2.0	8.7	4.0
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	169.91	156.32	157.29	177.48	152.15
19 Depreciation and Amortization	144.56	119.89	113.89	122.72	101.48
20 Other Operations Expense	403.37	392.11	351.87	339.92	318.98
21 Income Taxes - Operating Taxes	(3.83)	(0.24)	72.77	51.35	62.34
22 Other Taxes - Operating Taxes	38.89	38.88	32.14	37.06	31.62
23 Capital Costs	33.79	41.67	15.23	69.21	27.53
24 Total	786.68	748.63	743.18	797.74	694.11

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$8,439,632	\$9,055,799	\$8,943,051	\$8,854,587	\$8,498,938	1
Central Office Assets	29,612,327	29,068,076	28,656,337	28,134,712	27,838,776	2
Information Origination/Termination	1,465	1,465	1,465	1,465	1,465	3
Cable And Wire Facilities	33,746,911	33,552,911	32,987,982	32,481,297	32,025,164	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>71,800,335</b>	<b>71,678,251</b>	<b>70,588,835</b>	<b>69,472,061</b>	<b>68,364,343</b>	<b>6</b>
Property Held For Future Use	10,664	10,665	10,665	10,664	11,175	7
Plant Under Construction	712,675	300,352	652,450	1,181,966	576,385	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	349,300	349,300	349,300	349,300	351,026	11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>72,872,974</b>	<b>72,338,568</b>	<b>71,601,250</b>	<b>71,013,991</b>	<b>69,302,929</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	56,654,084	51,440,686	51,158,089	50,407,696	49,554,744	14
<b>Net Total Utility Plant</b>	<b>\$16,218,890</b>	<b>\$20,897,882</b>	<b>\$20,443,160</b>	<b>\$20,606,296</b>	<b>\$19,748,185</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.92	0.98	1.20	0.96	1.19	16
Total Capitalization	\$19,384,288	\$19,192,590	\$19,837,397	\$21,031,124	\$20,630,994	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
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	122.96	64.34	35.06	36.05	92.62	22
Com. Stock Dividends as a % of Earnings	0.0%	0.0%	-408.5%	-302.2%	268.4%	23
Return on Common Equity	11.7%	9.1%	4.9%	7.4%	20.7%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.0%	215.2%	100.0%	244.1%	4070.7%	25
CWIP as a % of Plant	1.0%	0.4%	0.9%	1.7%	0.1%	26

Current Assets	3,969,440	6,562,289	6,787,293	7,880,576	4,628,293
Current Liabilities	4,323,044	6,702,630	5,650,436	8,207,381	3,874,807
Total Capitalization	19,384,288	19,192,590	19,837,397	21,031,124	20,630,994
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	19,384,288	19,192,590	19,837,397	21,031,124	20,630,994
Short-Term Debt					
Pretax Income	2,160,458	2,455,361	2,009,600	2,710,263	8,588,416
Interest Expense	17,570	38,161	57,317	75,184	92,723
Common Dividends Paid			(4,105,000)	(4,628,000)	13,908,755
Net Income (Excl. Preferred Stock Dividends)	2,264,665	1,778,470	1,004,978	1,531,482	5,182,471
Internal Cash	4,055,103	2,881,279	736,637	5,264,438	12,670,384
Cash Outflows for Construction	(4,055,103)	(1,338,911)	(736,638)	(2,156,247)	(311,256)
CWIP	712,675	300,352	652,450	1,181,966	576,385
Total Plant	72,872,974	72,338,568	71,601,254	71,013,991	693,029,828
Shares Outstanding	60,219	60,219	60,219	60,219	60,219
Number of Employees	51	54	60	66	68

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$397,012	(\$707,512)	(\$223,997)	\$732,667	(\$274,419)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	779,230	632,950	1,022,736	1,206,825	1,212,965	2
Changes in Deferred Income Taxes	14,733	(212,641)	(134,059)	429,797	51,215	3
Changes in Working Capital	(160,674)	143,661	121,741	50,669	86,359	4
Capitalized AFDC - Equity						5
Other	(65,950)	16,137	7,855	(1,449,856)	(80,925)	6
Total Non-Cash Items	567,339	580,107	1,018,273	237,435	1,269,614	7
Net Cash Provided From Operating Activities	<u>964,351</u>	<u>(127,405)</u>	<u>794,276</u>	<u>970,102</u>	<u>995,195</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(543,402)	(43,025)	(315,631)	(562,349)	(611,115)	9
Purchase of Other Investments						10
Sale of Other Investments	(32,438)	554,343	(77,489)	(106,627)	(131,639)	11
Other						12
Net Cash Provided From Investing Activities	<u>(575,840)</u>	<u>511,318</u>	<u>(393,120)</u>	<u>(668,976)</u>	<u>(742,754)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid	(2,360,000)			(349,000)		18
Other Financing	(855)	(3,656)	(13,048)	(57,117)	(3,053)	19
Net Cash Provided From Financing Activities	<u>(2,360,855)</u>	<u>(3,656)</u>	<u>(13,048)</u>	<u>(406,117)</u>	<u>(3,053)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(1,972,344)	380,257	388,108	(104,991)	249,388	21
Cash & Equivalents at Beginning of Year	3,002,866	2,622,609	2,234,501	2,339,492	2,090,104	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,030,522</b>	<b>\$3,002,866</b>	<b>\$2,622,609</b>	<b>\$2,234,501</b>	<b>\$2,339,492</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,841,738	\$2,855,049	\$3,299,414	\$3,526,705	\$3,776,815
2 Access Lines	3,016	3,304	3,671	4,110	4,734
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	1,014,278	\$1,020,197	\$444,855	\$505,491	\$606,140
4 Depreciation and Amortization	779,230	633,673	1,022,736	1,206,705	1,227,592
5 Other Operations Expense	1,151,190	1,287,096	2,015,449	1,944,404	2,189,397
6 Total Operation Expenses	2,944,698	2,940,966	3,483,040	3,656,600	4,023,129
7 Income Taxes - Operating Taxes	(92,916)	(87,470)	(126,903)	(93,686)	(188,999)
8 Other Taxes - Operating Taxes	164,142	163,901	179,243	212,054	206,135
9 Capital Costs	(174,186)	(162,348)	(235,966)	(248,263)	(263,450)
10 Total	\$2,841,738	\$2,855,049	\$3,299,414	\$3,526,705	\$3,776,815
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	35.7	35.7	13.5	14.3	16.0
12 Depreciation and Amortization	27.4	22.2	31.0	34.2	32.5
13 Other Operations Expense	40.5	45.1	61.1	55.1	58.0
14 Income Taxes - Operating Taxes	(3.3)	(3.1)	(3.8)	(2.7)	(5.0)
15 Other Taxes - Operating Taxes	5.8	5.7	5.4	6.0	5.5
16 Capital Costs	(6.1)	(5.7)	(7.2)	(7.0)	(7.0)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	336.30	308.78	121.18	122.99	128.04
19 Depreciation and Amortization	258.37	191.79	278.60	293.60	259.31
20 Other Operations Expense	381.69	389.56	549.02	473.09	462.48
21 Income Taxes - Operating Taxes	(30.81)	(26.47)	(34.57)	(22.79)	(39.92)
22 Other Taxes - Operating Taxes	54.42	49.61	48.83	51.59	43.54
23 Capital Costs	(57.75)	(49.14)	(64.28)	(60.40)	(55.65)
24 Total	942.22	864.12	898.78	858.08	797.81

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$1,246,792	\$1,228,629	\$1,329,878	\$1,387,121	\$1,399,083	1
Central Office Assets	6,890,640	6,766,142	7,252,023	7,612,095	7,579,813	2
Information Origination/Termination	30,557	30,557		2,157	24,162	3
Cable And Wire Facilities	9,752,205	9,642,951	9,642,479	9,538,912	9,409,671	4
Amortizable Assets	60,730	91,248	135,531	171,183	153,593	5
<b>Total Plant In Service</b>	<b>17,980,924</b>	<b>17,759,527</b>	<b>18,359,911</b>	<b>18,711,468</b>	<b>18,566,322</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	280,533	118,631	52,932	79,807	82,751	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant	5,449	5,449	5,449	5,449	5,449	11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>18,266,906</b>	<b>17,883,607</b>	<b>18,418,292</b>	<b>18,796,724</b>	<b>18,654,522</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	11,617,643	11,030,958	10,421,373	10,170,192	9,490,141	14
<b>Net Total Utility Plant</b>	<b>\$6,649,263</b>	<b>\$6,852,649</b>	<b>\$7,996,919</b>	<b>\$8,626,532</b>	<b>\$9,164,381</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	3.23	6.61	5.46	6.08	5.36	16
Total Capitalization	\$6,002,298	\$7,890,309	\$8,599,469	\$8,751,925	\$8,425,375	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt	0.0%	0.0%	0.0%	0.1%	0.2%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	99.9%	99.8%	99.7%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.1%	0.2%	21
Pretax Coverage of Interest Expense	6706.22	-7556.78	-401.52	-15.46	-3.86	22
Com. Stock Dividends as a % of Earnings	594.4%	0.0%	0.0%	47.6%	0.0%	23
Return on Common Equity	5.7%	-8.6%	-2.6%	8.6%	-3.2%	24
Internal Cash Generated as a % of Cash Outflows for Construction	177.5%	-296.1%	251.6%	172.5%	162.8%	25
CWIP as a % of Plant	1.5%	0.7%	0.3%	0.4%	0.4%	26

Current Assets	1,528,731	3,398,824	3,248,960	2,853,568	3,239,578
Current Liabilities	472,871	514,543	595,586	469,271	604,342
Total Capitalization	6,002,298	7,890,309	8,599,469	8,751,925	8,425,375
Long-Term Debt			855	4,511	14,140
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	6,002,298	7,889,454	8,594,958	8,734,366	8,398,255
Short-Term Debt	0	855	3,656	13,048	12,980
Pretax Income	611,339	(1,088,177)	(343,698)	1,121,578	(340,732)
Interest Expense	91	144	856	(72,547)	88,373
Common Dividends Paid	2,360,000			349,000	
Net Income (Excl. Preferred Stock Dividends)	397,012	(707,512)	(223,997)	732,667	(274,419)
Internal Cash	964,351	(127,405)	794,276	970,102	995,195
Cash Outflows for Construction	(543,402)	(43,025)	(315,631)	(562,349)	(611,115)
CWIP	280,533	118,631	52,932	79,807	82,751
Total Plant	18,266,906	17,883,607	18,418,292	18,796,724	18,654,522
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	5	7	10

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$461,745	\$516,232	(\$181,489)	\$110,615	\$111,430	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	1,119,181	\$1,111,070	1,077,815	1,033,417	1,271,563	2
Changes in Deferred Income Taxes	128,293	58,417	22,633	162,862	(154,958)	3
Changes in Working Capital	232,003	(839,238)	(431,203)	395,312	1,183,659	4
Capitalized AFDC - Equity						5
Other	(334,413)	(479,827)	477,327	98,481	(765,238)	6
Total Non-Cash Items	1,145,064	(149,578)	1,146,572	1,690,072	1,535,026	7
Net Cash Provided From Operating Activities	<u>1,606,809</u>	<u>366,654</u>	<u>965,083</u>	<u>1,800,687</u>	<u>1,646,456</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(1,593,304)	(664,193)	(397,545)	(524,783)	(894,143)	9
Purchase of Other Investments	(2,004,834)	(1,582,737)	(1,309,587)	(2,353,102)	(3,702,143)	10
Sale of Other Investments	2,669,344	2,444,118	1,223,054	1,894,938	3,363,481	11
Other	(29,413)	178,713	243,942	(707,816)	(1,309,318)	12
Net Cash Provided From Investing Activities	<u>(958,207)</u>	<u>375,901</u>	<u>(240,136)</u>	<u>(1,690,763)</u>	<u>(2,542,123)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(523,834)	(565,444)	(648,522)	(392,543)	(451,021)	14
Common Stock						15
Preferred Stock						16
Short-Term Debt					(10,833)	17
Dividends Paid	(54,146)	(53,818)	(53,749)	(53,559)	(69,223)	18
Other Financing	(4,262)	(14,319)	(7,642)	(182,944)	(239,570)	19
Net Cash Provided From Financing Activities	<u>(582,242)</u>	<u>(633,581)</u>	<u>(709,913)</u>	<u>(629,046)</u>	<u>(770,647)</u>	20
Net Increase (Decrease) in Cash & Equivalents	66,360	108,974	15,034	(519,122)	(1,666,314)	21
Cash & Equivalents at Beginning of Year	1,305,928	1,196,954	1,181,920	1,701,042	3,367,356	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$1,372,288</b>	<b>\$1,305,928</b>	<b>\$1,196,954</b>	<b>\$1,181,920</b>	<b>\$1,701,042</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$5,456,724	\$5,386,343	\$5,630,624	\$5,459,150	\$5,538,251
2 Access Lines	4,063	4,364	4,752	5,273	5,680
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$1,599,152	\$1,636,542	\$1,555,512	\$1,492,766	\$1,549,697
4 Depreciation and Amortization	1,116,781	1,108,670	1,090,497	1,031,017	1,269,163
5 Other Operations Expense	2,130,752	2,089,037	2,103,118	2,136,200	2,299,170
6 Total Operation Expenses	4,846,685	4,834,249	4,749,127	4,659,983	5,118,030
7 Income Taxes - Operating Taxes	84,522	44,172	145,383	50,905	(128,850)
8 Other Taxes - Operating Taxes	283,406	287,643	424,008	420,063	397,785
9 Capital Costs	242,111	220,279	312,106	328,199	151,286
10 Total	\$5,456,724	\$5,386,343	\$5,630,624	\$5,459,150	\$5,538,251
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	29.3	30.4	27.6	27.3	28.0
12 Depreciation and Amortization	20.5	20.6	19.4	18.9	22.9
13 Other Operations Expense	39.0	38.8	37.4	39.1	41.5
14 Income Taxes - Operating Taxes	1.5	0.8	2.6	0.9	(2.3)
15 Other Taxes - Operating Taxes	5.2	5.3	7.5	7.7	7.2
16 Capital Costs	4.4	4.1	5.5	6.0	2.7
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	393.59	375.01	327.34	283.10	272.83
19 Depreciation and Amortization	274.87	254.05	229.48	195.53	223.44
20 Other Operations Expense	524.43	478.70	442.58	405.12	404.78
21 Income Taxes - Operating Taxes	20.80	10.12	30.59	9.65	(22.68)
22 Other Taxes - Operating Taxes	69.75	65.91	89.23	79.66	70.03
23 Capital Costs	59.59	50.48	65.68	62.24	26.63
24 Total	1,343.03	1,234.27	1,184.90	1,035.30	975.04

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$2,517,663	\$2,446,370	\$2,360,382	\$2,334,434	\$2,318,118	1
Central Office Assets	7,844,579	9,569,350	9,358,752	9,669,033	8,824,262	2
Information Origination/Termination	157,124	144,186	143,268	131,019	132,922	3
Cable And Wire Facilities	13,568,330	13,313,748	13,198,659	13,113,885	12,894,200	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>24,087,696</b>	<b>25,473,654</b>	<b>25,061,061</b>	<b>25,248,371</b>	<b>24,169,501</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	102,091	323,583	89,557	176,176	730,694	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>24,189,787</b>	<b>25,797,237</b>	<b>25,150,618</b>	<b>25,424,547</b>	<b>24,900,195</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	14,478,120	15,836,462	14,784,017	14,207,800	13,315,881	14
<b>Net Total Utility Plant</b>	<b>\$9,711,667</b>	<b>\$9,960,775</b>	<b>\$10,366,601</b>	<b>\$11,216,747</b>	<b>\$11,584,314</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.44	1.32	1.01	0.76	1.01	16
Total Capitalization	\$15,291,639	\$15,347,300	\$15,228,164	\$15,508,824	\$16,114,257	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	7.8%	10.4%	13.1%	15.4%	17.3%	18
Preferred Stock						19
Common Stock & Retained Earnings	88.1%	85.4%	82.1%	79.2%	77.6%	20
Short-Term Debt	4.0%	4.2%	4.8%	5.3%	5.1%	21
Pretax Coverage of Interest Expense	6.95	5.99	0.19	1.68	2.05	22
Com. Stock Dividends as a % of Earnings	11.7%	10.4%	-29.6%	45.2%	62.1%	23
Return on Common Equity	3.5%	4.0%	-1.5%	1.0%	0.9%	24
Internal Cash Generated as a % of Cash Outflows for Construction	100.8%	55.2%	242.8%	343.1%	184.1%	25
CWIP as a % of Plant	0.4%	1.3%	0.4%	0.7%	2.9%	26

Current Assets	6,505,316	4,774,083	3,532,927	2,493,551	3,486,400
Current Liabilities	4,527,105	3,617,677	3,510,034	3,298,939	3,468,062
Total Capitalization	15,291,639	15,347,300	15,228,164	15,508,824	16,114,257
Long-Term Debt	1,196,936	1,595,916	1,994,896	2,393,876	2,792,856
Preferred Stock				-	
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,478,272	13,106,689	12,504,758	12,288,749	12,501,639
Short-Term Debt	616,431	644,695	728,510	826,199	819,762
Pretax Income	684,775	773,158	27,379	368,194	530,006
Interest Expense	98,595	128,986	142,750	218,671	258,543
Common Dividends Paid	54,146	53,818	53,747	53,559	69,224
Net Income (Excl. Preferred Stock Dividends)	461,745	516,232	(181,489)	118,614	111,430
Internal Cash	1,606,809	366,654	965,083	1,800,687	1,646,456
Cash Outflows for Construction	(1,593,304)	(664,193)	(397,545)	(524,783)	(894,143)
CWIP	102,091	323,583	89,557	176,176	730,694
Total Plant	24,189,786	25,797,237	25,150,618	25,424,547	24,900,195
Shares Outstanding	480,000	480,000	480,000	480,000	480,000
Number of Employees	24	21	19	21	22

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	\$42,392	(\$57,159)	\$2,089	(\$16,925)	(\$101,212)	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	404,279	380,864	524,127	535,205	532,657	2
Changes in Deferred Income Taxes	30,007	(32,621)	(23,641)	59,678	(1,615)	3
Changes in Working Capital	5,391	98,758	(80,847)	25,440	183,529	4
Capitalized AFDC - Equity						5
Other	14,928	(9,756)	(6,197)	(113,364)	(28,965)	6
Total Non-Cash Items	454,605	437,245	413,442	506,959	685,606	7
Net Cash Provided From Operating Activities	<u>496,997</u>	<u>380,086</u>	<u>415,531</u>	<u>490,034</u>	<u>584,394</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(246,281)	(159,937)	(90,460)	(135,761)	(206,377)	9
Purchase of Other Investments						10
Sale of Other Investments	(4,382)	78,184	17,171	4,866	13,311	11
Other						12
Net Cash Provided From Investing Activities	<u>(250,663)</u>	<u>(81,753)</u>	<u>(73,289)</u>	<u>(130,895)</u>	<u>(193,066)</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt						14
Common Stock						15
Preferred Stock						16
Short-Term Debt						17
Dividends Paid						18
Other Financing		(979)	(2,347)	48,733	4,778	19
Net Cash Provided From Financing Activities	<u>0</u>	<u>(979)</u>	<u>(2,347)</u>	<u>48,733</u>	<u>4,778</u>	20
Net Increase (Decrease) in Cash & Equivalents	246,334	297,354	339,895	407,872	396,106	21
Cash & Equivalents at Beginning of Year	1,818,230	1,520,876	1,180,981	773,109	377,003	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$2,064,564</b>	<b>\$1,818,230</b>	<b>\$1,520,876</b>	<b>\$1,180,981</b>	<b>\$773,109</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,716,943	\$1,704,708	\$1,884,933	\$1,907,394	\$2,018,520
2 Access Lines	1,803	1,939	2,088	2,298	2,484
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$577,240	565,683	\$319,951	\$456,757	\$511,094
4 Depreciation and Amortization	404,278	381,182	524,127	535,205	538,834
5 Other Operations Expense	701,246	639,712	961,598	931,511	1,077,029
6 Total Operation Expenses	1,682,764	1,586,577	1,805,676	1,923,473	2,126,957
7 Income Taxes - Operating Taxes	(17,412)	12,997	(2,167)	(43,999)	(81,936)
8 Other Taxes - Operating Taxes	85,469	81,438	86,730	112,602	111,606
9 Capital Costs	(33,878)	23,696	(5,306)	(84,682)	(138,107)
10 Total	\$1,716,943	\$1,704,708	\$1,884,933	\$1,907,394	\$2,018,520
<b>PERCENT OF REVENUES</b>					
11 Wages and Benefits	33.6	33.2	17.0	23.9	25.3
12 Depreciation and Amortization	23.5	22.4	27.8	28.1	26.7
13 Other Operations Expense	40.8	37.5	51.0	48.8	53.4
14 Income Taxes - Operating Taxes	(1.0)	0.8	(0.1)	(2.3)	(4.1)
15 Other Taxes - Operating Taxes	5.0	4.8	4.6	5.9	5.5
16 Capital Costs	(2.0)	1.4	(0.3)	(4.4)	(6.8)
17 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
18 Wages and Benefits	320.16	291.74	153.23	198.76	205.75
19 Depreciation and Amortization	224.23	196.59	251.02	232.90	216.92
20 Other Operations Expense	388.93	329.92	460.54	405.36	433.59
21 Income Taxes - Operating Taxes	(9.66)	6.70	(1.04)	(19.15)	(32.99)
22 Other Taxes - Operating Taxes	47.40	42.00	41.54	49.00	44.93
23 Capital Costs	(18.79)	12.22	(2.54)	(36.85)	(55.60)
24 Total	952.27	879.17	902.75	830.02	812.61

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$900,247	\$818,054	\$871,605	\$929,421	\$973,563	1
Central Office Assets	3,336,012	3,119,519	3,070,988	3,049,838	3,028,720	2
Information Origination/Termination	54,472	54,472	0	1,632	7,106	3
Cable And Wire Facilities	4,230,643	4,191,831	4,211,027	4,191,840	4,218,460	4
Amortizable Assets	31,877	43,078	129,160	167,667	194,242	5
<b>Total Plant In Service</b>	<b>8,553,251</b>	<b>8,226,954</b>	<b>8,282,780</b>	<b>8,340,398</b>	<b>8,422,091</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	34,597	94,886	3,054	46,459	2,142	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill	1,709,839	1,709,839	1,709,839	1,709,839	1,709,839	12
<b>Total Telecommunications Plant</b>	<b>10,297,687</b>	<b>10,031,679</b>	<b>9,995,673</b>	<b>10,096,696</b>	<b>10,134,072</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	6,335,403	5,915,780	5,580,663	5,230,848	4,863,914	14
<b>Net Total Utility Plant</b>	<b>\$3,962,284</b>	<b>\$4,115,899</b>	<b>\$4,415,010</b>	<b>\$4,865,848</b>	<b>\$5,270,158</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	6.93	7.39	4.66	4.54	3.41	16
Total Capitalization	\$5,082,540	\$5,044,837	\$5,103,119	\$5,006,512	\$4,974,704	17
<u>Percent Of Capitalization (Incl. S-T- Debt)</u>						
Long-Term Debt	0.0%	0.0%	0.0%	0.0%	0.1%	18
Preferred Stock	0.0%	0.0%	0.0%	0.0%	0.0%	19
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	99.9%	99.9%	20
Short-Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	21
Pretax Coverage of Interest Expense	16363.25	-3811.43	19.33	8.72	-31.32	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%	-1.1%	0.0%	-0.3%	-2.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	201.8%	237.6%	459.4%	361.0%	283.2%	25
CWIP as a % of Plant	0.3%	0.9%	0.0%	0.5%	0.0%	26

Current Assets	2,304,563	2,022,357	1,970,341	1,426,060	1,120,091
Current Liabilities	332,500	273,759	422,383	314,105	328,390
Total Capitalization	5,082,540	5,044,837	5,103,119	5,006,512	4,974,704
Long-Term Debt				978	3,327
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,082,540	5,044,837	5,102,140	5,003,186	4,969,028
Short-Term Debt			979	2,348	2,349
Pretax Income	65,453	(87,663)	3,614	(25,468)	(158,719)
Interest Expense	4	23	187	(2,919)	5,067
Common Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	42,392	(57,159)	2,089	(16,925)	(101,212)
Internal Cash	496,997	380,086	415,531	490,034	584,394
Cash Outflows for Construction	(246,281)	(159,937)	(90,460)	(135,761)	(206,377)
CWIP	34,597	94,886	3,054	46,459	2,142
Total Plant	10,297,687	10,031,679	9,995,673	10,096,696	10,134,072
Shares Outstanding	100	100	100	100	100
Number of Employees	3	3	4	6	7

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

	2011	2010	2009	2008	2007	
<b>Cash Flows from Operating Activities</b>						
Net Income	(\$2,732,307)	\$3,054,916	\$6,670,336	\$5,815,185	\$5,491,901	1
<b>Non-Cash Items Included in Net Income</b>						
Depreciation, Depletion & Amortization	3,809,714	4,085,873	4,119,302	4,026,362	3,811,361	2
Changes in Deferred Income Taxes	(842,061)	(1,659,095)	(67,594)	(884,312)	(404,678)	3
Changes in Working Capital	(241,565)	2,951,025	(2,492,055)	(2,527,910)	1,243,592	4
Capitalized AFDC - Equity					(69,380)	5
Other	(3,819,815)	(9,166,355)	(19,413,453)	(16,448,130)	(11,330,945)	6
Total Non-Cash Items	(1,093,727)	(3,788,552)	(17,853,800)	(15,833,990)	(6,750,050)	7
Net Cash Provided From Operating Activities	<u>(3,826,034)</u>	<u>(733,636)</u>	<u>(11,183,464)</u>	<u>(10,018,805)</u>	<u>(1,258,149)</u>	8
<b>Cash Flows from Investing Activities</b>						
Cash Flows from Construction	(2,117,896)	(1,079,907)	(1,150,805)	(1,581,754)	(3,207,296)	9
Purchase of Other Investments	(14,604,426)		(1,487,000)			10
Sale of Other Investments	(11,588)			21,641	(4,113,253)	11
Other	13,600,000	12,554,529	12,586,033	10,357,057	9,023,273	12
Net Cash Provided From Investing Activities	<u>(3,133,910)</u>	<u>11,474,622</u>	<u>9,948,228</u>	<u>8,796,944</u>	<u>1,702,724</u>	13
<b>Cash Flows from Financing Activities</b>						
Net Proceeds (Payments)						
Long-Term Debt	(1,518,974)	(1,518,632)	(1,518,632)	(1,518,632)	(1,518,633)	14
Common Stock	(321,000)	50,106	128,877	34,532		15
Preferred Stock						16
Short-Term Debt	5,600,000					17
Dividends Paid	(5,794,000)	(5,223,512)	4,710,742	4,264,024	(4,306,424)	18
Other Financing						19
Net Cash Provided From Financing Activities	<u>(2,033,974)</u>	<u>(6,692,038)</u>	<u>3,320,987</u>	<u>2,779,924</u>	<u>(5,825,057)</u>	20
Net Increase (Decrease) in Cash & Equivalents	(8,993,918)	4,048,948	2,085,751	1,558,063	(5,380,482)	21
Cash & Equivalents at Beginning of Year	13,333,379	9,284,431	7,198,680	5,640,617	11,021,099	22
<b>Cash &amp; Equivalents at End of Year</b>	<b>\$4,339,461</b>	<b>\$13,333,379</b>	<b>\$9,284,431</b>	<b>\$7,198,680</b>	<b>\$5,640,617</b>	23

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

	2011	2010	2009	2008	2007
1 Revenues	\$14,108,792	\$15,626,449	\$15,629,802	\$16,776,938	\$17,484,774
2 Access Lines	14,041	15,423	17,605	19,503	22,031
<b>DOLLAR AMOUNTS</b>					
3 Wages and Benefits	\$7,176,508	6,522,173	\$7,292,158	\$7,415,792	\$7,676,512
4 Depreciation and Amortization	3,769,571	4,067,126	4,106,702	4,001,162	3,798,761
5 Other Operations Expense	6,638,733	6,908,127	6,056,679	6,406,684	6,557,286
6 Total Operation Expenses	17,584,812	17,497,426	17,455,539	17,823,638	18,032,559
8 Income Taxes - Operating Taxes	833,430	3,117,273	2,885,656	2,782,178	2,636,907
9 Other Taxes - Operating Taxes	1,034,840	1,088,358	1,233,719	1,165,936	1,159,006
10 Capital Costs	(5,344,290)	(6,076,608)	(5,945,111)	(4,994,814)	(4,343,698)
11 Total	\$14,108,792	\$15,626,449	\$15,629,802	\$16,776,938	\$17,484,774
<b>PERCENT OF REVENUES</b>					
12 Wages and Benefits	50.9	41.7	46.7	44.2	43.9
13 Depreciation and Amortization	26.7	26.0	26.3	23.8	21.7
14 Other Operations Expense	47.1	44.2	38.8	38.2	37.5
16 Income Taxes - Operating Taxes	5.9	19.9	18.5	16.6	15.1
17 Other Taxes - Operating Taxes	7.3	7.0	7.9	6.9	6.6
18 Capital Costs	(37.9)	(38.9)	(38.0)	(29.8)	(24.8)
19 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER ACCESS LINE</b>					
20 Wages and Benefits	511.11	422.89	414.21	380.24	348.44
21 Depreciation and Amortization	268.47	263.71	233.27	205.16	172.43
22 Other Operations Expense	472.81	447.91	344.03	328.50	297.64
24 Income Taxes - Operating Taxes	59.36	202.12	163.91	142.65	119.69
25 Other Taxes - Operating Taxes	73.70	70.57	70.08	59.78	52.61
26 Capital Costs	(380.62)	(394.00)	(337.69)	(256.10)	(197.16)
27 Total	1,004.83	1,013.19	887.80	860.22	793.64

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

	2011	2010	2009	2008	2007	
<b>TELECOMMUNICATIONS PLANT</b>						
<b>Plant In Service</b>						
General Support Assets	\$9,883,787	\$9,676,768	\$9,687,136	\$9,682,317	\$9,667,212	1
Central Office Assets	31,125,031	30,124,610	29,758,313	29,203,750	28,261,066	2
Information Origination/Termination	1,838,672	1,832,947	1,822,654	1,815,013	1,773,741	3
Cable And Wire Facilities	30,285,438	29,644,607	28,885,001	28,312,847	27,200,037	4
Amortizable Assets						5
<b>Total Plant In Service</b>	<b>73,132,928</b>	<b>71,278,932</b>	<b>70,153,104</b>	<b>69,013,928</b>	<b>66,902,057</b>	<b>6</b>
Property Held For Future Use						7
Plant Under Construction	151,091	82,994	180,357	144,105	834,026	8
Tel. Acquisition						9
Other Plant						10
Nonoperating Plant						11
Goodwill						12
<b>Total Telecommunications Plant</b>	<b>73,284,019</b>	<b>71,361,926</b>	<b>70,333,461</b>	<b>69,158,033</b>	<b>67,736,082</b>	<b>13</b>
Less Acc. Prov. For Depreciation & Amort.	50,576,212	46,882,002	42,975,607	38,831,682	34,977,723	14
<b>Net Total Utility Plant</b>	<b>\$22,707,807</b>	<b>\$24,479,924</b>	<b>\$27,357,854</b>	<b>\$30,326,351</b>	<b>\$32,758,359</b>	<b>15</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.26	1.24	1.23	1.36	1.17	16
Total Capitalization	\$32,941,727	\$38,945,381	\$41,757,965	\$40,588,917	\$43,632,503	17
<b>Percent Of Capitalization (Incl. S-T- Debt)</b>						
Long-Term Debt		2.9%	6.4%	10.3%	13.1%	18
Preferred Stock	1.5%	1.3%	1.2%	1.2%	1.1%	19
Common Stock & Retained Earnings	78.0%	91.9%	88.8%	84.7%	82.3%	20
Short-Term Debt	20.5%	3.9%	3.6%	3.7%	3.5%	21
Pretax Coverage of Interest Expense	3.49	62.79	98.21	78.67	13.61	22
Com. Stock Dividends as a % of Earnings	-1270.0%	171.6%	68.9%	74.1%	78.3%	23
Return on Common Equity	-1.5%	8.3%	19.2%	16.5%	16.0%	24
Internal Cash Generated as a % of Cash Outflows for Construction	-71.9%	-66.2%	-952.1%	-633.4%	-39.2%	25
CWIP as a % of Plant	0.2%	0.1%	0.3%	0.2%	1.2%	26

Current Assets	54,773,949	47,377,066	36,669,468	27,195,490	19,297,696
Current Liabilities	43,476,514	38,165,194	29,701,338	20,064,421	16,482,468
Total Capitalization	32,941,727	38,945,381	41,757,965	40,588,917	43,632,503
Long-Term Debt		1,138,974	2,657,606	4,176,238	5,694,870
Preferred Stock	500,000	500,000	500,000	500,000	500,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	25,702,753	35,787,774	37,081,726	34,394,046	35,919,000
Short-Term Debt	6,738,974	1,518,633	1,518,633	1,518,633	1,518,633
Pretax Income	566,624	6,272,086	9,883,674	8,708,052	8,722,292
Interest Expense	162,513	99,897	100,640	110,689	641,020
Common Dividends Paid	5,769,890	5,198,512	4,735,742	4,289,024	4,281,424
Net Income (Excl. Preferred Stock Dividends)	(454,319)	3,029,916	6,872,378	5,790,185	5,466,901
Internal Cash	(1,523,046)	(714,887)	(10,956,422)	(10,018,807)	(1,258,149)
Cash Outflows for Construction	(2,117,896)	(1,079,907)	(1,150,805)	(1,581,754)	(3,207,296)
CWIP	151,091	82,994	180,357	144,105	834,026
Total Plant	73,284,019	71,361,926	70,333,461	69,158,032	67,736,082
Shares Outstanding	6,218,800	5,975,000	59,908,000	5,985,463	5,985,463
Number of Employees	139	111	110	106	102