

Instructions

Do not include this sheet in the Annual Report you send to the Commission

We have included general instructions below to assist you in completing the report.

General Information

There are three Excel files that make up the annual report. The files are called TELCOAR.XLS, AJCDR.XLS and TCMR.XLS, respectively. TELCOAR.XLS is the main body of the report and is broken down into three sections: General Information; Financial and Accounting Information; and Operating Data. AJCDR.XLS is a supplementary report which contains Annual Joint Cost Data Report. TCMR.XLS is the Commission's Telecommunication Competition Monitoring Report and replaces the Transitional Monitoring Report.

The pages/schedules in each file are separated by Tabs. The names of the Tabs in TELCOAR.XLS are arranged by Schedule Number. The names of the Tabs in AJCDR.XLS and TCMR.XLS are arranged by page number. A Table of Contents is provided in TELCOAR.XLS and TCMR.XLS. (Tab called Table).

Each file includes a tab called a Data Sheet. The completion of the Data Sheet will automatically transfer your company's name and year of the report to each page of the annual report. There are numerous formulas and cell references in both files. The cells that contain the formulas and cell references have been protected. To unprotect these cells, the following instructions should be used: Format/Cells/Protection and uncheck "Locked" (Please use caution after unprotecting cells).

We have checked the accuracy of the formulas and cell references in the file. However, all corrections may not have been made because the file was slightly revised this year. If you feel that certain formulas or cell references in the file are incorrect, unprotect the incorrect cell and input the correct number, and describe the change made on the "Comment" sheet provided.

Insert Pages

Due to a large amount of data, some companies will be required to file additional pages to complete certain schedules. If you are required to prepare insert pages, insert pages have been provided in the workspace below the applicable schedule. The totals of the insert pages should be inputted on the related schedule. The print function will not print the insert pages. As a result, you will have to print these schedules manually.

Printing Individual Schedules on the File

To print a schedule, select the schedule you want by clicking on the tab for that schedule. Then click on File/Print in the menu bar. In the "Print what" portion of the resulting "Print" dialogue box select "Active sheet(s)", and then click on "OK."

Saving the File

As stated above, the name of the two files are TELCOAR.XLS, AJCDR.XLS and TCMR.XLS. It is advised that you call up the file and then immediately save it using the assigned file names as shown below.

Print the Entire Report

When you have completed the report, you may want to print out the entire report. To do this, follow the instructions above for printing individual schedules except, in the "Print what" portion of the "Print" dialogue box, select "Entire workbook".

<u>Company Name</u>	<u>TELCOAR.XLS</u>	<u>AJCDR.XLS</u>	<u>TCMR.XLS</u>
	<u>File Name to Save</u>	<u>File Name to Save</u>	<u>File Name to Save</u>
ALLTEL	ALLTAR.XLS	ALLTJCD.XLS	ALLTCMR.XLS
Armstrong	ARMSAR.XLS	ARMSJCD.XLS	ARMSTCMR.XLS
Berkshire	BERKAR.XLS	BERKJCD.XLS	BERKTCMR.XLS
Cassadaga	CASSAR.XLS	CASSJCD.XLS	CASSTCMR.XLS
Champlain	CHAMAR.XLS	CHAMJCD.XLS	CHAMTCMR.XLS
Chautauqua & Erie	CHAUTAR.XLS	CHAUTJCD.XLS	CHAUTCMR.XLS
Chazy & Westport	CHAZAR.XLS	CHAZYJCD.XLS	CHAZYCMR.XLS
Citizens Tel of Hammond	CITTHAR.XLS	CITTHJCD.XLS	CITTHCMR.XLS
Citizens Tel of New York	CITTNAR.XLS	CITTNJCD.XLS	CITTNCMR.XLS
Crown Point	CRPTAR.XLS	CRPTJCD.XLS	CRPTCMR.XLS
Delhi	DELHIAR.XLS	DELHIJCD.XLS	DELHICMR.XLS
Deposit	DEPAR.XLS	DEPJCD.XLS	DEPTCMR.XLS
Dunkirk & Fredonia	D&FAR.XLS	D&FJCD.XLS	D&FTCMR.XLS
Edwards	EDWAR.XLS	EDWJCD.XLS	EDWTCMR.XLS
Empire	EMPAR.XLS	EMPJCD.XLS	EMPTCMR.XLS
Fishers Island	FISHAR.XLS	FISHJCD.XLS	FISHTCMR.XLS
Frontier of Ausable Valley	FRTAVAR.XLS	FRTAVJCD.XLS	FRTAVCMR.XLS
Frontier of New York (Highland)	FRTNYAR.XLS	FRTNYJCD.XLS	FRTNYCMR.XLS
Frontier of Seneca-Gorham	FRTSGAR.XLS	FRTSGJCD.XLS	FRTSGCMR.XLS
Frontier of Sylvan Lake	FRTSLAR.XLS	FRTSLJCD.XLS	FRTSLCMR.XLS
Germantown	GERMAR.XLS	GERMJCD.XLS	GERMCMR.XLS
Hancock	HANCAR.XLS	HANCJCD.XLS	HANCTCMR.XLS
Margaretville	MARGAR.XLS	MARGJCD.XLS	MARGTCMR.XLS
Middleburgh	MIDAR.XLS	MIDJCD.XLS	MIDJTCMR.XLS
New York (Bell Atlantic/NYNEX)	NYNEXAR.XLS	NYNEXJCD.XLS	NYNEXCMR.XLS
Newport	NEWPAR.XLS	NEWPJCD.XLS	NEWPTCMR.XLS
Nicholville	NICHAR.XLS	NICHJCD.XLS	NICHTCMR.XLS
Ogden	OGDENAR.XLS	OGDENJCD.XLS	OGDENCMR.XLS
Oneida County Rural	ONCRAR.XLS	ONCRJCD.XLS	ONCRCMR.XLS
Ontario	ONTARAR.XLS	ONTARJCD.XLS	ONTARCMR.XLS
Oriskany Falls	ORISFAR.XLS	ORISFJCD.XLS	ORISFCMR.XLS
Pattersonville	PATTAR.XLS	PATTJCD.XLS	PATTTCMR.XLS
Port Byron	PTBNAR.XLS	PTBNJCD.XLS	PTBNCMR.XLS
Rochester (Frontier Comm.)	RTCAR.XLS	RTCJCD.XLS	RTCTCMR.XLS
State	STATEAR.XLS	STATEJCD.XLS	STATECMR.XLS
Taconic	TACAR.XLS	TACJCD.XLS	TACTCMR.XLS
Township	TOWNAR.XLS	TOWNJCD.XLS	TOWNCMR.XLS
Trumansburg Home	TRUAR.XLS	TRUJCD.XLS	TRUTCMR.XLS
Vernon	VERNAR.XLS	VERNJCD.XLS	VERNTCMR.XLS
Warwick Valley	WARWAR.XLS	WARWJCD.XLS	WARWTCMR.XLS

STATE OF NEW YORK PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF TELEPHONE CORPORATIONS For the period ending December 31, 2011

Instructions for this Tab:

- 1 Fill in your name and address below so that this information will carry to other parts of the spreadsheet.
- 2 If the respondent's name is long, the "Year ended December 31, 19__" may over pass the print range. This can be corrected by one of two methods: selecting a smaller font size on the specific sheet, or to delete some spaces on the combined string below.

Please fill in the following:	
Respondent's exact legal name :	Oneida County Rural Telephone Company
Address line 1:	9560 Main Street
Address line 2:	Holland Patent, NY 13354
For the period starting:	January 1, 2011
For the period ending:	December 31, 2011
Date due:	March 31, 2012
For the period starting January 1, 2011 For the period ending December 31, 2011 Year Ended December 31, 2011	

Example
January 1, 1995
December 31, 1995
March 31, 1995

Annual Report of Oneida County Rural Telephone Company	For the period ending December 31, 2011	
Annual Report of Oneida County Rural Telephone Company	For the period ending December 31, 2011	
Annual Report of Oneida County Rural Telephone Company	For the period ending December 31, 2011	
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Annual Report of Oneida County Rural Telephone Company	For the period ending December 31, 2011	



Please fill in the requested information on Rows 42, 43 and 44.

COMPANY CODE:

0111

TELEPHONE CORPORATIONS

ANNUAL REPORT

OF

Oneida County Rural Telephone Company

Exact legal name of reporting telephone corporation

(If name was changed during year, show also the previous name and date change)

9560 Main Street

Holland Patent, NY 13354

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2011

TO THE

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

Thomas I. Ellis, Executive Vice President

9560 Main Street

Holland Patent, NY 13354

315-865-5201

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1. GENERAL INSTRUCTIONS

1. The completed original of this report shall be filed with the Public Service Commission, Albany, NY, on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting telephone corporation.
2. If the respondent considers any information requested on a schedule to be of a proprietary nature, as defined in 16 NYCRR, Chapter 1, Section 6-1.3 of Chapter 1 of the Rules of Procedure, the schedule as included in the report forms should be filed as directed by the Commission. However, the respondent is required to file one complete copy of each schedule deemed proprietary, including all detail requested, accompanied by a request for proprietary treatment, with the Records Access Officer, in accordance with the Rules of Procedure of Title 16, NYCRR, Chapter I, Section 6-1.3(b). However, the company must still file such additional "Public" copy as required (one conformed copy) with the proprietary information blocked out and accompanied by a letter stating that this was done.
3. All telephone corporations upon which this report form is served are required by statute to complete and to file the report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given reasonable time within to make the necessary amendments or corrections. All data comprising this report shall be submitted in permanent form, i.e., washable ink or washable reproductions should not be used.
4. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission as set forth in 16 NYCRR, Subchapter E, Article 1 (Case 8579). The Uniform System of Accounts defines Class A companies as those with annual revenues from regulated telecommunications operations of \$100 million or more. Class B are defined as those with annual revenues from regulated telecommunications operations of less than \$100 million. Whenever the term respondent is used, it shall be understood to mean the reporting telephone corporation.
5. Standard accounting procedures will apply in determining the nature of any entry (e.g. Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a "credit"). Entries of a reverse or contrary character shall be indicated by parentheses around the number.
6. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover
- and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
7. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answer shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report, Where information called for herein is not given, state fully the reason for its omission.
8. The report should not be permanently bound. Extra copies of any page of the report will be furnished on request. If necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
9. If the telephone corporation conducts operations both within and outside the State of New York, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within this state.
10. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
11. Throughout the report money items shall be shown in units of dollars adjusted to accord footings. Omitting cents does not apply, however, to items in which cents are of significance as, for instance in averages and in unit costs.
12. In the space provided on the upper outside margin of each page there should be inserted (by rubber stamp, if desired), the name of the respondent and the year to which the report relates.

Comment Sheet

Please use this sheet to record any changes you made to this file. If you altered this file in anyway, except by entering data, you must record those changes here. You may also use this sheet to make any comments about this file or the joint cost file.

<u>Item Number</u>	<u>Description</u>	<u>Schedule Number</u>	<u>Page Number</u>

Comments

2. GENERAL INFORMATION

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.
Jeremiah O. McCarthy, President
Oneida County Rural Telephone Company
9560 Main Street
Holland Patent, NY 13354
2. Name of state in which incorporated, date of incorporation, and designation of law under which incorporated. If not incorporated, show type of organization, date organized and the identity of the parties in interest together with the extent of their respective interests.

Incorporated in New York State, in June 1905, under the Transportation Corporation Laws.
3. If at any time during the year the property of the company was held by a receiver or trustee, give (a) the name of the receiver or trustee, (b) the date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was vested, and (d) the date when possession by receiver or trustee ceased.

N/A
4. State the name of each other state or federal body exercising regulatory jurisdiction over respondent (excepting taxing authorities); and if such jurisdiction is limited, the extent of limitation should be set forth. If such jurisdiction terminated prior to the end of the year, state that fact with reasons for such termination and the effective date thereof.

N/A
5. Name all classes of service furnished by respondent.

Business and Residence - one party service

2. GENERAL INFORMATION (Continued)

6.

Attach herein (following this page) the respondent's latest annual report to stockholders. If such a report is not prepared, but if audited annual financial statements on which a certified public accountant expresses an opinion are regularly prepared and distributed to bondholders, banking institutions or security analysts, submit that.

[Enclosed 6/30/11 Report](#)

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a calendar year basis, the major financial statements contained therein, i.e., Balance Sheet, Income and Retained Earnings Statement and Statement of Cash Flows, shall be reconciled with the corresponding statements in this annual report. The reconciliation shall contain an explanation of all differences in reporting.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a fiscal year basis, then a statement shall be included stating that, except as noted, the major financial statements are prepared on the same basis as in this annual report to the Commission and are in conformity with this Commission's applicable Uniform system of Accounts.

[Enclosed 6/30/11 Report](#)

If reports to stockholders or audited annual financial statements are not prepared, so state below:

[Not Required](#)

3. OFFICERS AND DIRECTORS (including Compensation)

1. Furnish the indicated data with respect to each executive officer and director, whether or not they received any compensation from the respondent.
2. Executive officers include a company's president, secretary, treasurer and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
3. Indicate with an asterisk (*) in column (a) those directors who were members of the executive committee, if any, and by a double asterisk (**) the chairman, if any, of that committee, at the end of the year.

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Jeremiah O. McCarthy	President	12/31/2011	\$60,341	\$60,341
2	James P. McCarthy	Vice President	12/31/2011	161,061	161,061
3	Thomas I. Ellis	Exec Vice President	12/31/2011	229,485	229,485
4	Christine F. McCarthy	Secretary	12/31/2011	5,500	5,500
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NOTES:

Please complete the information on this schedule for all copies (paper and electronic version) of the report.

3. OFFICERS AND DIRECTORS (including Compensation - Continued)

4. If any person reported in this schedule received remuneration directly or indirectly other than salary shown in column (e) list the amounts in columns (f) through (k) with the footnotes necessary to explain the essentials of the plan, the basis of determining the ultimate benefits receivable and the payments or provisions made during the year to each person reported herein. If the word "none" correctly states the facts in regard to entries for columns (f) through (k), so state.
5. If any person reported hereunder received compensation from more than one affiliated company or was carried on the payroll of an affiliated company, details shall be given in a note.

Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
\$52,000					\$500	\$112,841	1
					500	161,561	2
					500	229,985	3
					500	6,000	4
						0	5
						0	6
						0	7
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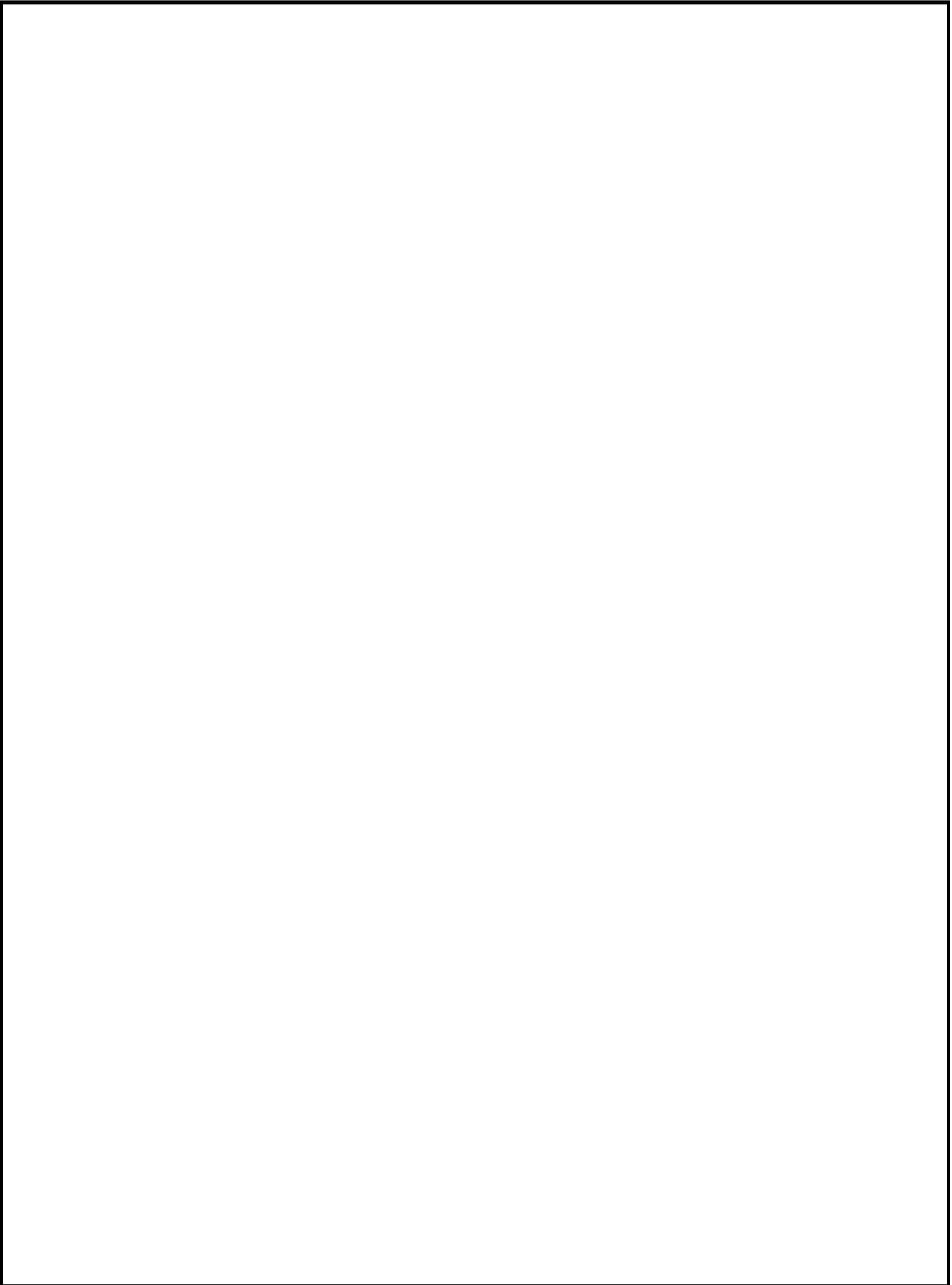
NOTES:

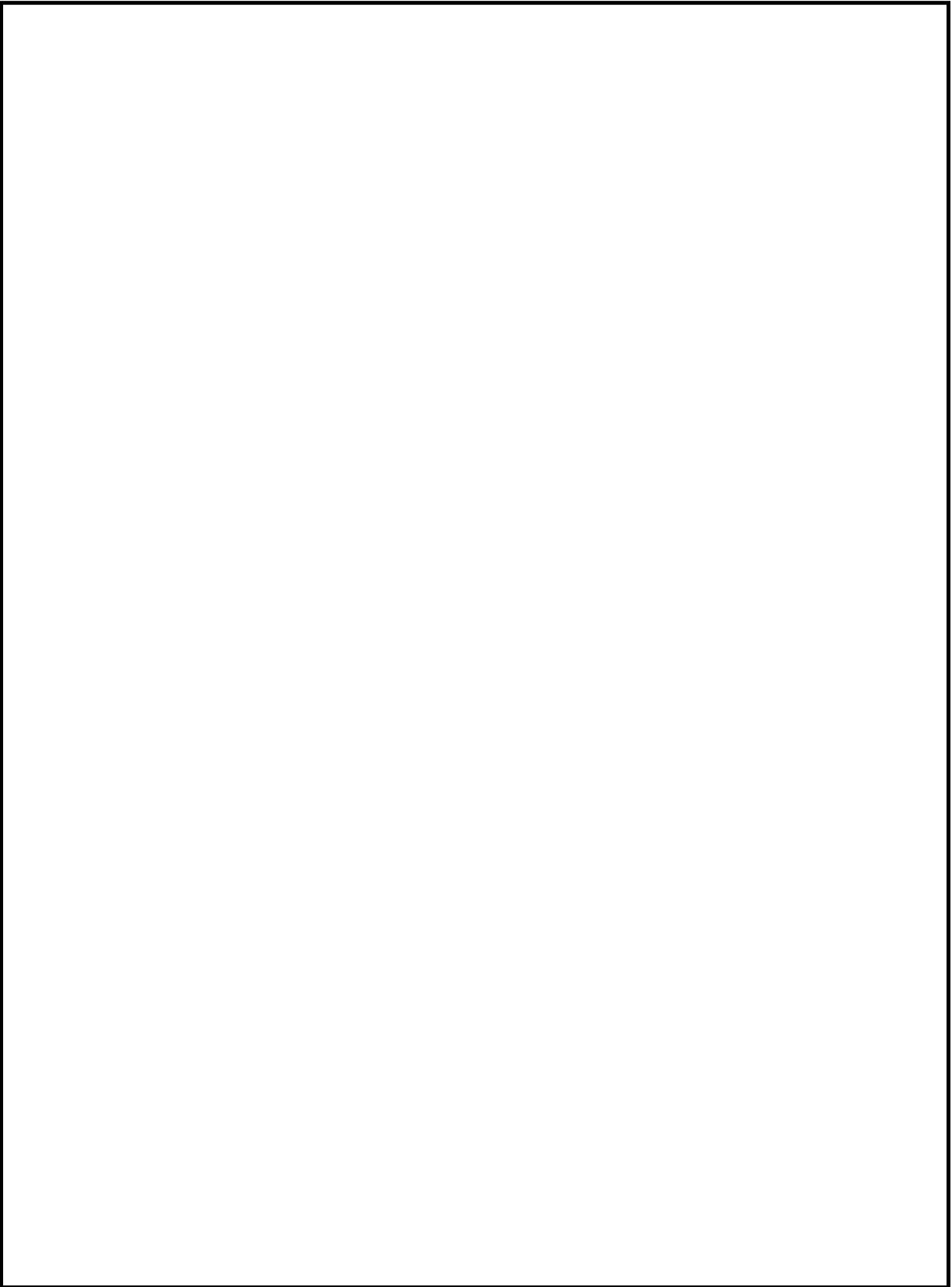
Other Revenue - Board of Directors Revenue

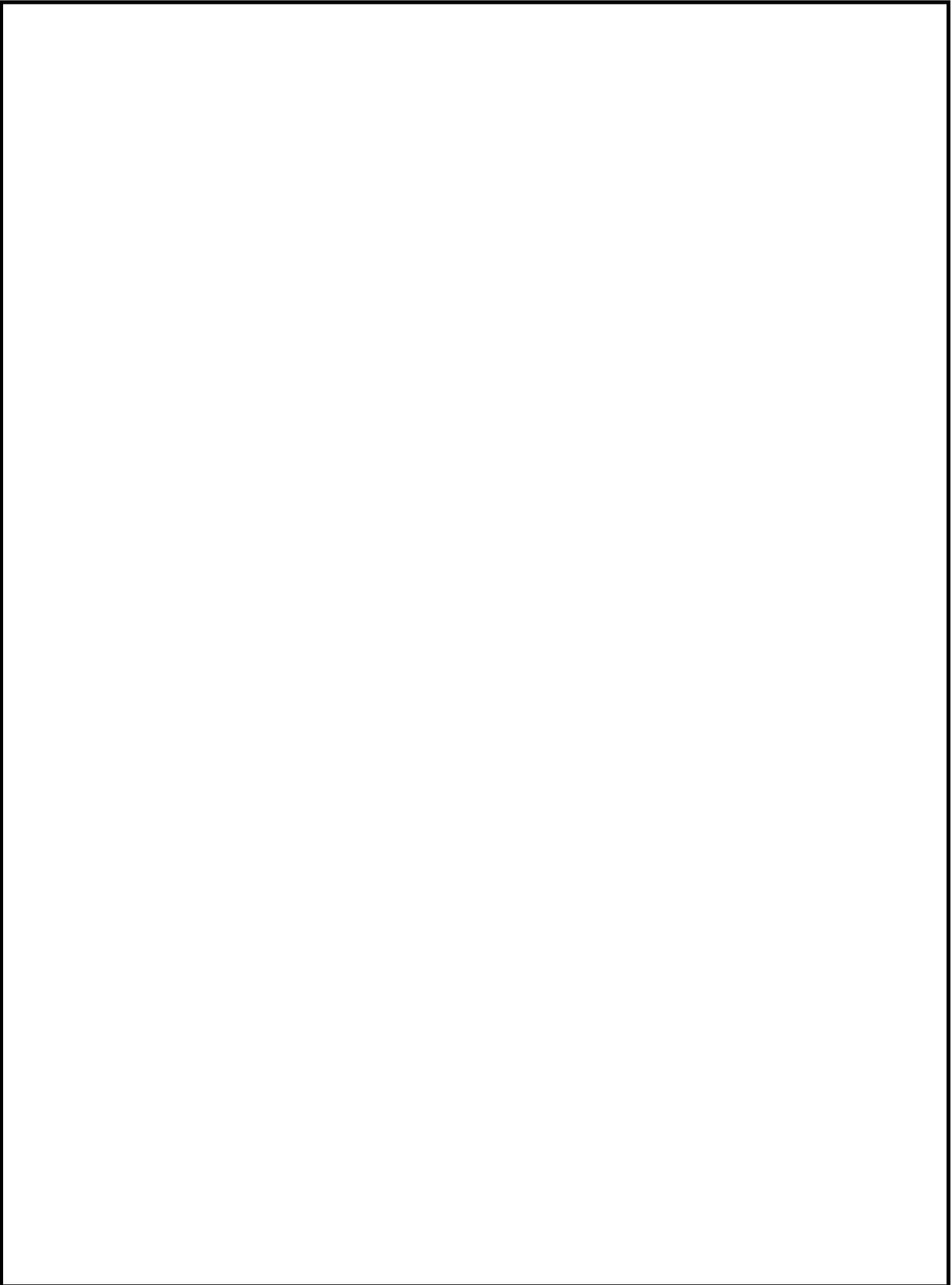
4. CONTROL OVER RESPONDENT

If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by trustee(s), state name of trustee(s), name of beneficiaries for whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.

None







6-C

Print as needed.

5. CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Foot-note Ref. (d)
Oneida County Long Distance	Long Distance Telephone Service	100%	

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

6. HOLDERS OF VOTING SECURITIES

1. Report the requested information for each holder of record of five percent or more of the voting capital or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. For corporations listed hereunder as holders of voting securities, see the next succeeding schedule. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established under Section 621 of the Business Corporation Law and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Name and Address of Security Holder (a)	Number of Votes as of		
		Common Stock (b)	Other (Specify)	
			(c)	(d)
1	Jeremiah O. McCarthy Irrevocable Trust # 5	614.25		
2	James P. McCarthy	200.25		
3	Mary Malone McCarthy	30		
4	Maureen McCarthy	30		
5	Shirley Liepins	15		
6	Richard Deveans	8		
7	William Blust	1		
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7. VOTING POWERS AND ELECTIONS

1. Has each share of stock the right to one vote? ___Yes_____

2. Are voting rights attached only to stock? ___Yes_____
- (if the answer to either query 1 or 2 is "No", give full particulars in a note.)

3. Is cumulative voting permitted? ___No_____

4. State the place and date of the latest general meeting held prior to the end of the year for the election of directors.
Holland Patent, NY December 29, 2011

5. State the total number of votes cast at such general meeting __814.50_____and the total number cast by proxy __24_____.

6. State the total number of voting security holders __7_____ and the total of all voting securities __898.50_____ as of such date.

7. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

8. IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated, data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries, and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other source will be sufficient.

1. Changes in rights to furnish service, i.e. distribution franchises or similar consents: For each franchise surrendered show the name of the municipality, date of grant, and date of surrender. For each franchise acquired, show the grantor, the date, the specific territory covered, the party from whom acquired, and the consideration.
2. Consolidations, mergers and reorganizations: Give names of other companies involved, particulars of each such incident, date, and Commission authorization.
3. Purchase or sale of entire property, or a part of property when service territory is included: Give brief description of each transaction, name of the other party, date, consideration and Commission authorization.
4. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.
5. Securities issued during the year: Identify the securities, give purposes of issuance, date, consideration received and Commission authorization. As here used the term "securities" shall be taken to mean any capital stock or debt, the issuance of which requires prior authorization by this Commission.
6. Changes in rates: Show brief particulars of each intrastate rate change, the estimated increase or decrease in annual revenues by reason of such changes, the service classification, effective date, and date ordered or allowed by the Commission. Give the same information for interstate rate changes.
7. Changes in scales of wages: State the estimated annual effect and nature of any important wage scale changes during the year.
8. Changes in articles of incorporation: Give brief particulars of each change and date.
9. Changes in general officers between end of period covered by this report and date of filing thereof. Give brief particulars.
10. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.
11. Give information on any changes in accounting standards that have occurred during the year.

8. IMPORTANT CHANGES DURING THE YEAR (Continued)

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

1. All columns must be filled in for those companies whose toll settlements are based on actual cost. Companies that receive toll settlements on the basis of average cost need to complete columns (b) through (e).
2. The totals as reported on this schedule should conform with amounts reported on corresponding schedules.
3. Include in column (g), Part 36 interstate amounts and any reconciliation of New York State amounts.
4. Include on Line 27 any adjustments needed for items includable in Earnings Available for Rate of Return calculation purposes which are not includable in the lines above (e.g. tax imputation for imputed interest, etc.) Please identify and explain.

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
Operating Revenues							
1	Local Network Services	\$744,043			\$744,043	\$744,043	
2	Network Access Services	1,382,711			\$1,382,711	\$248,047	\$1,134,664
3	Long Distance Network Serv.	1,508			\$1,508	\$1,508	
4	Miscellaneous	113,343			\$113,343	\$94,693	\$18,650
5	Settlements	240,864			\$240,864	\$240,864	
6	Nonregulated Revenues	353,251	353,251				
7	Subtotal	2,835,720	353,251	0	2,482,469	1,329,155	1,153,314
8	Uncollectibles	15,643			15,643	15,643	
9	Total Operating Revenues	2,820,077	353,251	0	2,466,826	1,313,512	1,153,314
Operating Expenses							
10	Plant Specific	820,129	228,597		591,532	357,049	234,483
11	Plant Non-specific	221,989	1,004		220,985	135,596	85,389
12	Marketing	9,262			9,262	6,394	2,868
13	Customer Operations Services	204,155	102		204,053	136,858	67,195
14	Access	49,237			49,237	30,212	19,025
15	Corporate Operations	677,351	3,361		673,990	387,207	286,783
16	Subtotal	1,982,123	233,064	0	1,749,059	1,053,316	695,743
17	Depreciation & Amortization	555,350	44,536		510,814	302,555	208,259
18	Total Operating Expenses	2,537,473	277,600	0	2,259,873	1,355,871	904,002
19	Net Operating Revenues	282,604	75,651	0	206,953	(42,359)	249,312
Operating Taxes							
20	Operating FIT	5,144	8,714	1,335	(2,235)	(63,579)	61,344
21	Deferred Operating FIT-Net	(7,687)			(7,687)	(4,717)	(2,970)
22	Operating Investment Tax Credit - Amort (Option 2)	0					
23	Total Federal Income Taxes	(2,543)	8,714	1,335	(9,922)	(68,296)	58,374
24	Other Operating Taxes	210,129	1,794		208,336	126,252	82,084
25	Total Operating Taxes	207,586	10,508	1,335	198,414	57,956	140,458
26	Other Operating Income and Expenses						
27	Net Operating Income*	75,018	65,143	(1,335)	8,539	(100,315)	108,854
28	Rate Case Adj, if applicable						
29	Net Operating Income after Rate Case Adj	\$75,018	\$65,143	(\$1,335)	\$8,539	(\$100,315)	\$108,854

* Net Operating Income on Line 27 should equal Net Operating Income on Sch 12, Line 16, Column C.

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For the period ending December 31, 2011

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
1	Telephone Plant in Service	\$13,803,312	\$1,094,029		\$12,709,283	\$7,798,416	\$4,910,867
2	Noninterest Bearing Telephone Plant under Construction	434			434	266	168
3	Telephone Plant Held for Future Use						
4	Materials and Supplies	288,144	293		287,851	183,275	104,576
5	Prepayments	86,195	9,679		76,516	46,950	29,566
6	Cash Working Capital *	167,921			167,921	103,036	64,885
7	RTB Stock						
8	Other Rate Base Adjustments, If Applicable						
9	Unamortized Deferrals	(281,925)			(281,925)	(281,925)	
10	Depreciation Reserve	9,467,209	801,135		8,666,074	5,392,031	3,274,043
11	Amortization Reserve						
12	Accumulated Deferred Income Taxes	353,489			353,489	73,615	279,874
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)						
14	Rate Base (Lines 1-9 minus lines 10-13)	\$4,243,383	\$302,866	\$0	\$3,940,517	\$2,384,372	\$1,556,145

All lines except line 6 are balances at beginning of year plus balances at end of year divided by two.

* Allowance based upon collection of revenues and operating expenses:

For Example:

	Amount	Percentage	Lag Days	Weighted Days
1. Advance Billings (Local Service, etc.)	\$40	40.0%	15	6
Arrears Billings (Toll, etc.)	60	60.0%	45	27
	<u>\$100</u>	<u>100.0%</u>		<u>33</u>

2. Weighted Days - 33 divided by 365 days equals 9.04%

3. Operating Expenses minus Depreciation multiplied by 9.04% equals Cash Working Capital

10. Instructions for Rate of Return and Return on Common Equity

RATE OF RETURN AND RETURN ON COMMON EQUITY COMPUTATIONS:

- Line 1: Income Available for Return and Calculation of Rate Base
 Column (a): Page 12, Line 29, Column (e)
 Column (b): Page 12, Line 29, Column (f)
- Line 2: Income Available for Return and Calculation of Rate Base
 Column (a): Page 13, Line 14, Column (e)
 Column (b): Page 13, Line 14, Column (f)
- Line 3: Rate of Return
 Columns (a) and (b): Divide Line 1 by Line 2
- Line 4: Return on Common Equity
 Column (a): Line 10, Column (c)
 Column (b): Line 16, Column (c)

CAPITAL STRUCTURE:

- Column (a): The amount in Column (a) reflects the average balance in the reporting year for Long-Term Debt (including current maturities), Notes Payable, Customer Deposits, Preferred Stock and Common Equity (Total Stockholder's Equity less Preferred Stock).
- Column (b): The structure column reflects the percentage of total capitalization that each component represents.
- Column (c): The cost rate column reflects the actual cost of debt, customer deposits and preferred stock preferred stock experienced in the reporting year. The cost rate is derived by dividing the interest expense and/or preferred stock dividends by the respective average debt or preferred stock balance. The return on common equity is a calculated amount.
- Column (d): The weighted cost column represents the cost rate of the total capitalization and is equal to the respective rate of returns (Line 3, Column (a) by Column (b)). Once the weighted cost of debt (Long-Term Debt, Notes Payable, Customer Deposits) and preferred stock are totaled and then subtracted from the respective rate of return, the fall out number is the weighted cost of common equity. The return on common equity (Column (c)) is derived by dividing the weighted cost of common equity (Column (d)) by the Common equity percentage of total capitalization (Column (b)).

ALTERNATIVE CAPITAL STRUCTURE

For companies who are required to report their achieved returns to this Commission on a regular basis and companies that use alternative capital structures for ratemaking purposes, report the capital structure used for that purpose herein. Explain the basis for the capital structure used.

- Line 5: Required Additional Revenues:
- Column (a): Multiply the rate base (Line 2, Column (a)) by the common equity percentage of total capitalization (Line 10, Column (b)). Take this Product and multiply by 1% and then divide the result by 63.5%. The resulting product is the additional revenues.
- Column (b): Multiply the rate base (Line 2, Column (b)) by the common equity percentage of total capitalization (Line 16, Column (b)). Take this product and multiply by 1% and then divide the result by 63.5%. The resulting product is the additional revenues.

10. Rate of Return and Return on Common Equity

Line No.	Item	Subject to Separation (a)	Intrastate (b)
1	Net Operating Income after Rate Case Adj	\$ <u>8,539</u>	\$ <u>(100,315)</u>
2	Rate Base	\$ <u>3,940,517</u>	\$ <u>2,384,372</u>
3	Rate of Return	<u>0.22%</u>	<u>-4.21%</u>
4	Return on Common Equity	<u>-1.13%</u>	<u>-6.81%</u>
5	Required Additional Revenues *	\$ <u>48,355</u>	\$ <u>29,259</u>

* (To provide an additional 1% Return on Common Equity)

Capital Structure used for Subject to Separations *

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
6	Long-Term Debt	\$ 15,667	0.13%	5.00%	0.01%
7	Notes Payable	2,661,393	21.67%	4.95%	1.07%
8	Customer Deposits	750	0.01%	6.00%	0.00%
9	Preferred Stock	33,250	0.27%	6.00%	0.02%
10	Common Equity	9,568,206	77.92%	-1.13%	-0.88%
11	Total	\$ 12,279,266	100.00%		0.22%

Capital Structure used for Intrastate*

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 15,667	0.13%	5.00%	0.01%
13	Notes Payable	2,661,393	21.67%	4.95%	1.07%
14	Customer Deposits	750	0.01%	6.00%	0.00%
15	Preferred Stock	33,250	0.27%	6.00%	0.02%
16	Common Equity	9,568,206	77.92%	-6.81%	-5.30%
	Total	\$ 12,279,266	100.00%		-4.21%

It should be noted that these calculated rates of return and common equity returns are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the

computed in a formal rate proceeding. Differences may occur because the data in formal proceeding are analyzed in detail and some adjustments are usually made to booked amounts.

* Use alternative capital structure if applicable.

11. BALANCE SHEET
Assets and Other Debits

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
CURRENT ASSETS					
1	1130		\$61,759	\$196,790	(\$135,031)
2	1140				0
3	1150		600	600	0
4	1160		476,458	816,913	(340,455)
5	1180	36	161,374	179,903	(18,529)
6	1181	36	15,077	18,658	(3,581)
7	1190.1	37	1,350,534	1,012,976	337,558
8	1190.2	37	148,311	340,969	(192,658)
9	1191	38	0	0	0
10	1200.1	39	0	0	0
11	1200.2	39	0	0	0
12	1201	39	0	0	0
13	1210				0
14	1220	40	383,913	192,375	191,538
15	1290				0
16	1300	41-42	40,302	49,415	(9,113)
17	1310		19,858	17,807	2,051
18	1320		20,085	18,577	1,508
19	1330		7,216	7,351	(135)
20	1350				0
21	1360	43-44	0	0	0
22	Total Current Assets		2,655,333	2,815,018	(159,685)
NONCURRENT ASSETS					
23	1401.1	50-51	1,408,694	1,293,042	115,652
24	1401.2	52-53	0	0	0
25	1402	52-53	4,214,930	4,004,520	210,410
26	1406	54	0	0	0
27	1407	58-59	0	0	0
28	1408				0
29	1410		3,237,147	3,118,121	119,026
30	1438				0
31	1439	55	0	0	0
32	1500		XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXX
33	1510	43-44	682,379	622,861	59,518
34	Total Noncurrent Assets		9,543,150	9,038,544	504,606
REGULATED PLANT					
35	2001	24-25	13,822,668	13,783,956	38,712
36	2002	24-25	0	0	0
37	2003	24-25	426	441	(15)
38	2004	24-25	0	0	0
39	2005	24-25	0	0	0
40	2006	24-25	0	0	0
41	2007	24-25	0	0	0
42	Total Telecommunications Plant		13,823,094	13,784,397	38,697
43	3100-3300	32-33	9,685,917	9,229,168	456,749
44	3410-3600	32-33	10,099	9,235	864
45	Net Telecommunications Plant		4,127,078	4,545,994	(418,916)
46	TOTAL ASSETS AND OTHER DEBITS		\$16,325,561	\$16,399,556	(\$73,995)

For Notes to Balance Sheet see Page 18.

11. BALANCE SHEET
Liabilities and Other Credits

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)	
CURRENT LIABILITIES						
1	4010.1	Accounts Payable to Affiliated Companies	56	\$12,462	\$28,020	(\$15,558)
2	4010.2	Other Accounts Payable	56	161,335	179,898	(18,563)
3	4020.1	Notes Payable to Affiliated Companies	57	0	0	0
4	4020.2	Other Notes Payable	57	0	0	0
5	4030	Advance Billing and Payments	--	90,320	98,872	(8,552)
6	4040	Customers' Deposits	--	750	750	0
7	4050	Current Maturities-Long-Term Debt	58-59	0	0	0
8	4060	Current Maturities-Capital Leases	--	0	0	0
9	4070	Income Taxes-Accrued	41-42	61,019	54,797	6,222
10	4080	Other Taxes-Accrued	41-42	5,350	5,500	(150)
11	4100	Current Deferred Oper. Income Taxes-Cr.	45-47	0	0	0
12	4110	Current Def. Nonoper. Income Taxes-Cr.	45-47	0	0	0
13	4120	Other Accrued Liabilities	--	1,633,975	1,412,227	221,748
14	4130	Other Current Liabilities	--	0	0	0
15		Total Current Liabilities		1,965,211	1,780,064	185,147
LONG-TERM DEBT						
16	4210	Funded Debt	58-59	0	31,334	(31,334)
17	4220	Premium on Long-Term Debt	58-59	0	0	0
18	4230	Discount on Long-Term Debt	58-59	0	0	0
19	4240	Reacquired Debt	--	0	0	0
20	4250	Obligations Under Capital Leases	--	0	0	0
21	4260	Advances from Affiliated Companies	58-59	0	0	0
22	4270	Other Long-Term Debt	58-59	3,348,800	3,656,058	(307,258)
23		Total Long-Term Debt		3,348,800	3,687,392	(338,592)
OTHER LIABILITIES AND DEFERRED CREDITS						
24	4310	Other Long-Term Liabilities	61	98,000	150,000	(52,000)
25	4320	Un. Oper. Invest. Tax Credits-Net	45-47	0	0	0
26	4330	Un. Nonoper. Invest. Tax Credits-Net	45-47	0	0	0
27	4340	Noncurrent Def. Oper Income Taxes-Cr.	45-47	1,010,103	1,002,115	7,988
28	4350	Noncurrent Def. Nonoper Income Taxes-Cr.	45-47	(16,023)	(36,203)	20,180
29	4360	Other Deferred Credits	62	259,110	304,739	(45,629)
30	4370	Other Juris. Liabilities & Def. Credits-Net	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
31		Total Other Liabilities and Def. Credits		1,351,190	1,420,651	(69,461)
STOCKHOLDERS' EQUITY						
32	4510.1	Capital Stock-Common	63	85,100	85,100	0
33	4510.2	Capital Stock-Preferred	63	33,150	33,350	(200)
34	4520	Additional Paid-in Capital	63	0	0	0
35	4530	Treasury Stock	63	1,332,075	1,332,075	0
36	4540	Other Capital	--	(1,037,864)	(979,726)	(58,138)
37	4550.1	Appropriated Retained Earnings	21	0	0	0
38	4550.2	Unappropriated Undistrib. Affil Earnings	21	2,579,103	2,463,451	115,652
39	4550.3	Unappropriated Retained Earnings	21	9,332,946	9,241,349	91,597
40		Total Stockholders' Equity		9,660,360	9,511,449	148,911
41		TOTAL LIABILITIES AND OTHER CREDITS		\$16,325,561	\$16,399,556	(\$73,995)

For Notes to Balance Sheet see Page 18.

11. NOTES TO BALANCE SHEET

1. The space below and on the page following is provided for important notes regarding the balance sheet or any account thereof.
2. Furnish particulars for material contingent assets or liabilities existing at the end of the year which are reasonably possible in accordance with Statement of Financial standards No.5. For any dividends in arrears at the end of the year on cumulative preferred stock, state the date of the last dividend, the average per share, and the total amount arrearage. List all discounted notes receivable outstanding at the end of the year, stating for each the name of maker, amount and term of note, interest rate, date discounted, and net proceeds realized.
3. Give a concise explanation of any retained earnings restriction and state the amount of retained earnings affected by such restriction.
4. If the notes to balance sheet appearing in the annual report to the stockholders are applicable, such notes (designated as such) may be used in lieu of answers for the foregoing.

NOTES:

1. The amount of pension funds held by outside trustees and irrevocably devoted to pension purposes at the end of the year was \$__1,918,142.59_____.
2. Cumulative dividends in arrears at the end of the year amounted to \$____0_____.

ADDITIONAL NOTES TO BALANCE SHEET

11. NOTES TO BALANCE SHEET (Continued)

12. INCOME AND RETAINED EARNINGS STATEMENT

Provide total company amount on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
INCOME				
TELEPHONE OPERATING INCOME				
1	Operating Revenues.....	65	\$2,820,077	\$3,410,376
2	Operating Expenses.....	72	2,537,473	2,855,604
3	Net Operating Revenues		282,604	554,772
OTHER OPERATING INCOME AND EXPENSE				
4	7110 Income from Custom Work.....	--		
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--		
6	7140 Gains and Losses from Foreign Exchange.....	--		
7	7151 Gains or Losses from Disposition of Land and Artworks.....	--		
8	7160 Other Operating Gains and Losses.....	--		
9	Total Other Operating Income and Expenses		0	0
OPERATING TAXES				
10	7210 Operating Investment Tax Credits-Net.....	45-47		
11	7220 Operating Federal Income Taxes.....	73-74	5,144	5,738
12	7230 Operating State and Local Income Taxes.....	73-74		
13	7240 Operating Other Taxes.....	73-74	210,129	211,266
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	(7,687)	16,339
15	Total Operating Taxes		207,586	233,343
16	Net Operating Income		75,018	321,429
NONOPERATING INCOME AND EXPENSES				
17	7310 Dividend Income.....	--	67,769	23,572
18	7320 Interest Income.....	--	158,078	165,948
19	7330 Income from Sinking and Other Funds.....	--		
20	7340 Allowance for Funds Used During Construction.....	--		
21	7350 Gains or Losses from the Disposition of Certain Property.....	--		
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	115,652	90,425
23	7360 Other Nonoperating Income.....	79	(57,184)	(21,787)
24	7370 Special Charges.....	77	(23,016)	9,777
25	Total Nonoperating Income Items and Expenses		307,331	248,381
NONOPERATING TAXES				
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47		
27	7420 Nonoperating Federal Income Taxes.....	73	1,696	25,335
28	7430 Nonoperating State and Local Income Taxes.....	73-74		
29	7440 Nonoperating Other Taxes.....	73-74	0	
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	43-47		54,736
31	Total Nonoperating Taxes		1,696	80,071
32	Total Nonoperating Income		305,635	168,310
33	Income Available for Fixed Charges		380,653	489,739
INTEREST AND RELATED ITEMS				
34	7510 Interest on Funded Debt.....	58-59	169,334	342,738
35	7520 Interest Expense-Capital Leases.....		0	
36	7530 Amortization of Debt Issuance Expense.....	58-59	0	
37	7540 Other Interest Deductions.....	78	284	64
38	Total Interest and Related Items		169,618	342,802
39	Income Before Extraordinary Items		211,035	146,937

12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
EXTRAORDINARY ITEMS				
40	7610 Extraordinary Income Credits.....	80	0	
41	7620 Extraordinary Income Charges.....	80	0	
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	80	0	
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	80	0	
44	Total Extraordinary Items		0	0
JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS				
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net....	--	xxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxx
46	7990 Nonregulated Net Income.....	--		
47	Total Jurisdictional Differences and Extraordinary Items		0	0
48	Net Income		\$211,035	\$146,937
RETAINED EARNINGS				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		\$9,241,349	\$9,188,650
50	4550.4 Balance Transferred from Income.....		95,383	56,512
51	4550.5 Appropriations of Retained Earnings.....			
52	4550.6 Dividends Declared-Preferred Stock.....	63	1,989	2,016
53	4550.7 Dividends Declared-Common Stock.....	63	1,797	1,797
54	4550.8 Adjustments to Retained Earnings.....	64		
55	Net Change to Unappropriated Retained Earnings		91,597	52,699
56	4550.3 Unappropriated Retained Earnings (End of Period).....		9,332,946	9,241,349
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		\$9,332,946	\$9,241,349
UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		\$2,463,451	\$2,373,026
60	Equity in Earnings for Period.....	51	115,652	90,425
61	Dividends Received.....			
62	Other Changes (explain).....			
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$2,579,103	\$2,463,451

NOTES TO INCOME AND RETAINED EARNINGS STATEMENT

Note 1. Refunds to subscribers, in the event of an adverse decision in pending rate proceedings, would reduce the amount of "Operating Revenues" for the current year by approximately \$_____

13. STATEMENT OF CASH FLOWS			
Line No.	Items (a)	Current Year (b)	Last Year (c)
Cash flows from operating activities:			
1	Net Income	\$211,035	\$146,937
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	578,687	599,794
3	Amortizations		
4	Increase (Decrease) in deferred taxes and investment tax credits-net	(1,399)	77,363
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	(130,347)	(406,917)
7	Decrease (Increase) in inventory related to operations		
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	45,586	143,591
9	Unbilled revenues	395	21,110
10	Increase (Decrease) in current income taxes and other taxes payable	6,072	195,451
11	Increase (Decrease) in interest payable	(13,956)	16,783
12	Equity in loss(earnings) of affiliates	(115,652)	(90,425)
13	Dividends received from associated and subsidiary companies accounted for under the equity method		
	Other Adjustments: Gain / Loss from Partnership & Sale of Stock	41680	(14,922)
14	Deferred Compensation	(52,000)	(52,000)
15	Other Deferred Credits	(45,629)	(45,631)
16	Prepaid & Other Non Current Assets	5,689	20,230
17	Total Adjustments	319,126	464,427
18	Net cash provided by (used in) operating activities	530,161	611,364
Cash flows from investing activities:			
Cash outflows for construction (-)			
Gross additions to:			
19	Telephone plant (include capital leases)	(164,462)	(91,735)
20	Common plant		
21	Non-utility plant		
22	Other plant		
Adjustments to gross additions:			
23	Increase (Decrease) in payables related to construction		
24	Decrease (Increase) in inventory related to construction	(191,538)	(73,749)
25	Capital leases		
26	Equity AFUDC		
27	Other adjustments		
28	Total cash outflows for construction	(356,000)	(165,484)
29	Acquisition of other non-current assets (5)(d)	(119,026)	(107,402)
30	Payments for the acquisition of other debt and equity securities (5)(a)	(1,848,129)	(461,596)
31	Investments in and advances to subsidiary and associated companies		
32	Repayments of advances by associated and subsidiary companies		
Net proceeds from sale or disposition of:			
33	Property, plant and equipment	4,691	(8,781)
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments	1,655,395	320,022
36	Other non-current assets		
37	Other:		
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(663,069)	(423,241)

13. STATEMENT OF CASH FLOWS (Continued)

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from financing activities:		
	Proceeds from issuing:		
41	Common stock		
42	Preferred stock		
43	Long-term debt (5)(b)	(338,593)	2,900,000
44	Net change in short-term debt (5)(c)		
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases		
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock	(200)	(1,400)
49	Long-term debt (5)(b)		(3,108,051)
	Dividends paid on: (-)		
50	Common stock	(1,797)	(1,797)
51	Preferred stock	(1,989)	(2,016)
	Other:(5)(e)		
52			
53			
54			
55			
56			
57			
58	Total of any Insert Pages		
59	Net cash provided by (used in) financing activities	(342,579)	(213,264)
60	Net increase(decrease) in cash and cash equivalents	(475,487)	(25,141)
61	Cash & cash equivalents at the beginning of the year	1,014,304	1,039,445
62	Cash & cash equivalents at the end of the year	\$538,817	\$1,014,304

INSTRUCTIONS

- If the notes to the cash flow statement in the respondent's report to stockholders are applicable to this statement, such notes should be attached below. Information about non-cash investing and financing activities should be provided below. Also, provide below a reconciliation between "Cash and Cash Equivalents at End of Year" with related accounts on the balance sheet.
- "Other" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify significant amounts and group others.
- Operating activities - other: Exclude gains and losses from investing and financing activities on lines 14 through 16. Include these gains or losses in the appropriate investing or financing activities section. Show below the amounts of interest paid (net of amounts capitalized) and income taxes paid.
- Investing activities - Include at "Other" line 37 the net cash flow to acquire other companies that are not associated or subsidiaries. Provide a reconciliation of assets acquired with liabilities assumed below.
- Codes used:
 - Net proceeds or payments.
 - Bonds, debentures and other long-term debt.
 - Include commercial paper.
 - Identify separately in space below such items as investments, fixed assets, intangibles, etc.
 - Show separately, by issue, financing expenses related to issuance and gains or losses resulting from redemptions.

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS

1. Report in column (c) all amounts relating to purchases of plant accounted for in accordance with instruction 663.2 of the Uniform System of Accounts. Report in column (e) all amounts relating to sales of plant with traffic accounted for in accordance with instruction 663.5(e) of the Uniform System of Accounts.
2. Credits to accounts listed in this schedule relating to property retired and charged to Account 2006 'Nonoperating Plant', shall be included in column (f).
3. Items of a reverse or contrary character should be designated by appropriate symbols.
4. Each transfer or adjustment between accounts listed in this schedule, including account 2005, or between accounts listed in this schedule and other accounts, shall be included in column (g) and explained in a note, except the following which shall be included in the columns (c) through (f), as appropriate:
 - a. transfers and adjustments amounting to less than \$5,000;
 - b. adjustments and corrections of additions and retirements for the current or preceding year;
 - c. transfers involving account 2003 and 2004, the plant accounts, and account 2002 made in connection with the closing of the records of construction work orders or authorizations;
 - d. routine entries relating to the acquisition, sale, retirement, or change in the use of plant, such as transfers among accounts 2111 to 2690, inclusive, 2002 and 2005.

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
	2001 Telecommunications Plant in Service							
	General Support Assets							
1	2111 Land	\$51,777						\$51,777
2	2112 Motor Vehicles	806,800		107,910		113,156		801,554
3	2113 Aircraft							0
4	2114 Special Purpose Vehicles							0
5	2115 Garage Work Equipment	2,696						2,696
6	2116 Other Work Equipment	620,790		26,701				647,491
7	2121 Buildings	1,745,097						1,745,097
8	2122 Furniture	101,676						101,676
9	2123 Office Equipment	0						0
10	.1 Office Support Equipment	23,281						23,281
11	.2 Company Communications Equipment	13,441						13,441
12	2124 General Purpose Computers	183,538		13,725		7,676		189,587
13	Total General Support Assets	\$3,549,096	\$0	\$148,336	\$0	\$120,832	\$0	\$3,576,600
	Central Office Assets							
14	2211 Analog Electronic Switching							\$0
15	2212 Digital-Electronic Switching	2,396,120						2,396,120
16	2215 Electro-Mechanical Switching							0
17	.1 Step-by-Step Switching							0
18	.2 Crossbar Switching							0
19	.3 Other Electro-Mechanical Switching							0
20	2220 Operator Systems							0
21	2231 Radio Systems							0
22	.1 Satellite & Earth Station Facilities							0
23	.2 Other Radio Facilities							0
24	2232 Circuit Equipment	2,297,652		2,552				2,300,204
25	Total Central Office Assets	\$4,693,772	\$0	\$2,552	\$0	\$0	\$0	\$4,696,324

14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (Continued)								
Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
Information Org./Term. Assets								
26	2311 Station Apparatus							\$0
27	2321 Customer Premises Wiring							0
28	2341 Large Private Branch Exchanges							0
29	2351 Public Terminal Equipment							0
30	2362 Other Terminal Equipment	13,057				591		12,466
31	Total Information Org./Term. Assets	\$13,057	\$0	\$0	\$0	\$591	\$0	\$12,466
Cable and Wire Facilities								
32	2411 Poles	\$579,626		\$3,962		\$2,156		\$581,432
33	2421 Aerial Cable	3,020,786		4,697		1,512		3,023,971
34	2422 Underground Cable	199,873						199,873
35	2423 Buried Cable	1,512,077		4,169		756		1,515,490
36	2424 Submarine Cable							0
37	2425 Deep Sea Cable							0
38	2426 Intrabuilding Network Cable							0
39	2431 Aerial Wire	44,797		1,069		226		45,640
40	2441 Conduit	127,747						127,747
41	Total Cable and Wire Facilities	\$5,484,906	\$0	\$13,897	\$0	\$4,650	\$0	\$5,494,153
Amortizable Assets								
42	2681 Capital Leases							\$0
43	2682 Leasehold Improvements	43,125						43,125
44	2690 Intangibles							0
45	Total Amortizable Assets	\$43,125	\$0	\$0	\$0	\$0	\$0	\$43,125
46	Total Telecommunications Plant in Service	\$13,783,956	\$0	\$164,785	\$0	\$126,073	\$0	\$13,822,668
47	2002 Property Held for Future Telecom. Use							\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	441				15		426
49	2004 Telecom. Plt. Under Constr.-Long Term							0
50	2005 Telecom. Plt. Acquisition Adjustment							0
51	.1 Tel.. Plant Acquisition Adjustment							0
52	.2 Other Plant Adjustments							0
53	2006 Nonoperating Plant							0
54	2007 Goodwill							0
55	Total Telecommunications Plant	\$13,784,397	\$0	\$164,785	\$0	\$126,088	\$0	\$13,823,094

15. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-SHORT TERM (Account 2003)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.
2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2003 Telecommunications Plant Under Construction-Short Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings			0
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers			0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching			0
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment			0
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
	Cable and Wire Facilities Assets			0
22	2411 Poles	426		426
23	2421 Aerial Cable			0
24	2422 Underground Cable			0
25	2423 Buried Cable			0
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intrabuilding Network Cable			0
29	2431 Aerial Wire			0
30	2441 Conduit Systems			0
31	Total Plant Accounts	426	0	426
	Other Accounts			
32				0
33				0
34				0
35	Total	\$426	\$0	\$426

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15A. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-LONG TERM (Account 2004)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.
2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2004 Telecommunications Plant Under Construction-Long Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings			0
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers			0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching			0
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment			0
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
	Cable and Wire Facilities Assets			0
22	2411 Poles			0
23	2421 Aerial Cable			0
24	2422 Underground Cable			0
25	2423 Buried Cable			0
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intrabuilding Network Cable			0
29	2431 Aerial Wire			0
30	2441 Conduit Systems			0
31	Total Plant Accounts	0	0	0
	Other Accounts			
32				0
33				0
34				0
35	Total	\$0	\$0	\$0

16. PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE

1. Insert in column (a) the titles of the applicable primary accounts for telecommunications plant in service and for each show the corresponding details regarding Property Held for Future Telecommunications Use.
2. If respondent's annual operating revenues exceed \$100 million, list separately items amounting individually to \$50,000 or more; show the aggregate of all other items for each primary account listed.

Line No.	Item (a)	Anticipated In Service Date (b)	Balance at Beg. of Year (c)	Additions During Year (d)	Transfers to Tel.. Plant in Service (e)	Other Retirements During Year (f)	Adjustments During Year Debit or (Credit) (g)	Balance at End of Year (h)
1								\$0
2								0
3								0
4								0
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26								0
27								0
28								0
29								0
30								0
31								0
32								0
33								0
34								0
35								0
36								0
37	Totals		\$0	\$0	\$0	\$0	\$0	\$0

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18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.
2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).
3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1							\$0					
2							0					
3							0					
4							0					
5							0					
6							0					
7							0					
8							0					
9							0					
10							0					
11							0					
12							0					
13							0					
14							0					
15							0					
16							0					
17							0					
18							0					
19							0					
20							0					
21							0					
22							0					
23							0					
24							0					
25							0					
26							0					
27							0					
28							0					
29							0					
30							0					
							\$0					

Notes:

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

- For the total of accrual reflected in column (c), show in a note the amounts concurrently charged to Accounts 6561, 6562 and to other accounts (specify).
- Include in columns (d), (f), (g) and (h) the amounts on open retirement work orders carried in sub-account 3100.01, Retirement Work in Progress.
- With respect to items in columns (e) and (i), include in a note the contra accounts charged or credited together with an explanation of the entries.

Line No.	Plant Account (a)	Balance at Beginning of Year (b)	Credits During the Year		
			Depreciation Accruals (c)	Salvage Insurance, etc. (d)	Other Credits (e)
	Telecommunications Plant in Service				
	General Support Assets				
1	2112 Motor Vehicles	\$713,594	\$63,170	\$10,900	
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment	2,696			
5	2116 Other Work Equipment	414,219	34,720		
6	2121 Buildings	852,158	31,895		5,681
7	2122 Furniture	65,198	3,684		1,026
8	2123 Office Equipment				
9	.1 Office Support Equipment	(31,716)	1,051		296
10	.2 Company Communications Equipment	13,441			
11	2124 General Purpose Computers	183,536	10,168	720	2,837
12	Total General Support Assets	2,213,126	144,688	11,620	9,840
	Central Office Assets				
13	2211 Analog Electronic Switching				
14	2212 Digital Electronic Switching	2,396,119			
15	2215 Electro-Mechanical Switching				
16	.1 Step-by Step				
17	.2 Crossbar				
18	.3 Other Electro-Mechanical Switching				
19	2220 Operator Systems				
20	2231 Radio Systems				
21	.1 Satellite and Earth Station Facilities				
22	.2 Other Radio Facilities				
23	2232 Circuit Equipment	790,790	145,588		
24	Total Central Office Assets	3,186,909	145,588	0	0
	Information Orig/Termination Assets				
25	2311 Station Apparatus				
26	2321 Customer Premises Wiring				
27	2341 Large Private Branch Exchanges				
28	2351 Public Telephone Terminal Equip.				
28	2362 Other Terminal Equipment	(18,764)			
29	Total Information Orig/Termination Assets	(18,764)	0	0	0
	Cable and Wire Facilities Assets				
30	2411 Poles	343,471	32,689		
31	2421 Aerial Cable	2,272,078	162,766		
32	2422 Underground Cable	77,575	5,684		
33	2423 Buried Cable	1,081,500	67,510		
34	2424 Submarine Cable				
35	2425 Deep Sea Cable				
36	2426 Intra-building Network Cable				
36	2431 Aerial Wire	26,664	6,128		
37	2441 Conduit Systems	46,609	2,928		
38	Total Cable and Wire Facilities Assets	3,847,897	277,705	0	0
39	3100 Other - Explain				
40	3100 Other - Explain				
41	3100 Total Accumulated Depreciation - TPIS	9,229,168	567,981	11,620	9,840
42	3200 Held for Future Communications Use				
43	3300 Nonoperating				
44	Total Accumulated Depreciation	9,229,168	567,981	11,620	9,840
45	3410 Capital Leases				
46	3420 Leasehold Improvements	9,235	308		556
47	Accumulated Amortization - Tangible	9,235	308	0	556
48	3500 Accumulated Amortization - Intangible				
49	3600 Accumulated Amortization - Other				
50	Total Accumulated Amortization	9,235	308	0	556
51	Total Accumulated Depreciation & Amortization	\$9,238,403	\$568,289	\$11,620	\$10,396

19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION

Line No.	Debits During the Year				Balance at End of the Year (j)
	Retirements with Traffic (f)	Retirements without Traffic (g)	Cost of Removal (h)	Other Charges (i)	
1	\$113,156				\$674,508
2					0
3					0
4					2,696
5					448,939
6					889,734
7					69,908
8					0
9					(30,369)
10					13,441
11	7,676				189,585
12	120,832	0	0	0	2,258,442
13					0
14					2,396,119
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23					936,378
24	0	0	0	0	3,332,497
25					0
26					0
27					0
28					0
28	591				(19,355)
29	591	0	0	0	(19,355)
30	2,156		2,857	(310)	371,457
31	1,512		2,067		2,431,265
32					83,259
33	756		1,832		1,146,422
34					0
35					0
36					0
36	226		173		32,393
37					49,537
38	4,650	0	6,929	(310)	4,114,333
39					0
40					0
41	126,073	0	6,929	(310)	9,685,917
42					0
43					0
44	126,073	0	6,929	(310)	9,685,917
45					0
46					10,099
47	0	0	0	0	10,099
48					0
49					0
50	0	0	0	0	10,099
51	\$126,073	\$0	\$6,929	(\$310)	\$9,696,016

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20. BASIS OF CHARGES FOR DEPRECIATION

1. Each type of plant for which a separate depreciation rate is determined and applied in the accounts shall be considered as a subclass for the purpose of this schedule.
2. The estimated net salvage factors in columns (c) and (i) shall be shown as a percentage of original cost. Columns (b) and (c) shall be left blank only when two or more subclasses are indicated in Section II.
3. The rate to reported in column (d) with respect to an account for which subclasses are indicated in Section II is the composite rate productive of an amount equal to the sum of the estimated annual charges for the constituent subclasses, produced by applying (actually or in effect) the individual rates set forth in column (j), to the book cost of each subclass.

Section I. Classes of Depreciable Plant

Line No.	Plant Account (a)	Estimated Service Life in Years (b)	Estimated Net Salvage Factor (c)	Annual Composite Rate at End of the Year (d)	Ratio of Depreciation Charges to Ave Monthly Book Cost (e)
General Support Assets					
1	2112 Motor Vehicles	11.18		8.95%	8.12%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment	25.91		3.86%	0.00%
5	2116 Other Work Equipment	18.18		5.50%	5.48%
6	2121 Buildings	46.3		2.16%	2.15%
7	2122 Furniture	21.6		4.63%	4.63%
8	2123 Office Equipment				
9	.1 Office Support Equipment	17.3		5.78%	5.78%
10	.2 Company Communications Equipment	11.36		8.80%	0.00%
11	2124 General Purpose Computers	8.41		11.89%	6.88%
Central Office Assets					
12	2211 Analog Electronic Switching				
13	2212 Digital Electronic Switching	9		11.12%	0.00%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems				
19	2231 Radio Systems				
20	.1 Satellite and Earth Station Facilities				
21	.2 Other Radio Facilities				
22	2232 Circuit Equipment	15.75		6.35%	6.33%
Information Origination/Termination Assets					
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				
26	2351 Public Telephone Terminal Equipment				
27	2362 Other Terminal Equipment	8		12.50%	0.00%
Cable and Wire Facilities Assets					
28	2411 Poles	17.73		5.64%	5.64%
29	2421 Aerial Cable	18.56		5.39%	5.39%
30	2422 Underground Cable	35.21		2.84%	2.84%
31	2423 Buried Cable	22.42		4.46%	4.46%
32	2424 Submarine Cable				
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable				
35	2431 Aerial Wire	7.31		13.68%	13.66%
36	2441 Conduit Systems	43.67		2.29%	2.29%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	4.20%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	4.19%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	4.23%
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXX	4.20%

20. BASES OF CHARGES FOR DEPRECIATION (Continued)

4. Report in column (e) the ratios of the depreciation charge actually included in the accounts to the average monthly book costs of the plant indicated. The average monthly book cost shall be determined by dividing by 12 the sum of the monthly book cost to which the depreciation rates were applied.
5. In column (f) indicate the number of the primary plant account in which the listed subclasses are included.
6. Amounts in columns (k) and (l) shall be reported only to the nearest dollar. Such amounts shall be totaled by primary classes and the appropriate composite rate shall be entered in column (j) opposite the respective totals in order to prove the correctness of the compositing (unless the compositing is by some other process, in which event the procedure used shall be described in a note).

Section II. Subclasses of Depreciable Plant

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
		Motor Vehicles					
1	2112	Motor Vehicles	9.11		10.98%	59,333	6,515
2	2112.1	Motor Vehicles	11.39		8.78%	718,741	63,105
3		Total	11.18		8.95%	778,074	69,620
4							
5		Central Office					
6	3/2212	Central Office - Paging	10		10.00%	169,516	16,952
7	2212	Central Office	8.93		11.20%	2,226,603	249,380
8		Total	9		11.12%	2,396,119	266,331
9							
10		Other Terminal Equipment					
11	2/2362	Other Terminal Equipment - CPE	8		12.50%	8,854	1,107
		Total	8		12.50%	8,854	1,107
12							
13		Aerial Cable					
14	2421	Aerial Cable	18.56		5.39%	3,007,632	162,111
15	2421.1	Aerial Cable - Drop Wire	18.56		5.39%	13,531	729
16		Total	18.56		5.39%	3,021,163	162,841
17							
18		Circuit Equipment					
19	2232	Circuit Equipment	15.88		6.30%	2,266,684	142,801
20	2232	Circuit Equipment - DSL	9.99		10.01%	32,244	3,228
21		Total	15.75		6.35%	2,298,928	146,029
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							

21. TELECOMMUNICATIONS ACCOUNTS RECEIVABLE AND ACCOUNTS RECEIVABLE ALLOWANCE

Line No.	Item (a)	Number of Accounts (b)	Amount at End of the Year (c)
1	Customers and Agents-Receiving Service	2,129	\$155,919
2	Customers and Agents-Service Discontinued	61	5,455
3	Total	2,190	161,374
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	15,077
5	Balance	xxxx	\$146,297

Explain in a note the basis used to determine the accruals charged to account 5301.

Line No.	Particulars (a)	Amount (b)
6	Balance at beginning of the year	18,658
7	Accruals charged to account 5301	
8	Collection of amounts previously written off	1,694
9	Other Credits (explain in a note)	
10	Total credits	1,694
11	Uncollectible written off during the year	5,275
12	Other debits (explain in a note)	
13	Total debits	5,275
14	Balance at end of year	\$15,077
15	Total operating revenues for the year	\$2,820,077
16	Net write offs during the year (line 11 minus line 8)	\$3,581
17	Ratio of line 16 to line 15	0.13%
18	Ratio of line 7 to line 15	0.00%
19	Interstate Uncollectible Revenues (Account 5301.1)	\$0
20	Intrastate Uncollectible Revenues (Account 5301.2)	\$0

Insert additional pages, if applicable.

**22. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES AND
OTHER ACCOUNTS RECEIVABLE**

1. List the information for each affiliate and also the ten largest nonaffiliate debtors at end of year. Aggregate all other nonaffiliate receivables.

2. Report in column (f) the average of the twelve month-end balances for each item in column (a).

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
	Account 1190.1 Accounts Receivable from Affiliated Companies:					
1	Northland Software	\$914,911	\$677,087	\$486,438	\$1,105,560	\$1,014,404
2	Northland Networks	\$54,363	\$1,438,956	\$1,332,689	160,630	\$134,580
3	Northland Telephone Systems, Ltd.	\$19,810	\$320,189	\$318,845	21,154	\$23,037
4	Dreamscape Online, LCC	\$9,972	\$172,549	\$168,237	14,284	\$13,704
5	Gaffney Communications	\$11,669	\$302,156	\$267,336	46,489	\$55,938
6	Oneida County Telephone Long Distance	\$2,234	\$27,109	\$26,960	2,383	\$3,223
7	Holland Internet	\$17	\$234	\$217	34	\$21
8	Holland Wireless, LLC	\$0	\$0	\$0	0	\$0
9	Holland Leasing	\$0	\$0	\$0	0	\$0
10					0	
11					0	
12	Total Accounts Receivable from Affiliated Companies	\$1,012,976	\$2,938,280	\$2,600,722	\$1,350,534	\$1,244,907
	Account 1190.2 Other Accounts Receivable:					
13	NECA	\$87,973	\$605,299	\$643,615	\$49,657	\$50,442
14	ATT Media Processing Center	8,391	184,465	158,345	34,511	18,100
15	Niagara Mohawk	13,816	1,815	894	14,737	13,525
16	Verizon Business	4,925	55,084	45,981	14,028	6,724
17	LM Berry	7,366	9,769	10,574	6,561	4,661
18	Ion	2,656	31,873	29,217	5,312	2,213
19	Spot Talk	1,990	4,064	778	5,276	3,729
20	Verizon	4,281	43,209	44,316	3,174	4,497
21	ATT Mobility	3,936	55,587	56,790	2,733	4,882
22	Global Crossing	6,458	3,089	7,861	1,686	2,449
23	Aggregate of all Other Items	199,177	770,270	958,811	10,636	47,367
24	Total Other Accounts Receivable	\$340,969	\$1,764,524	\$1,957,182	\$148,311	\$158,589

23. ACCOUNTS RECEIVABLE ALLOWANCE - AFFILIATED AND OTHER

Line No.	Particulars (a)	Affiliate (b)	Other (c)
1	Balance at beginning of the year	\$0	\$0
2	Accruals charged to account 5302		
3	Collection of amounts previously written off		
4	Other credits (explain in a note)		
5	Total credit	0	0
6	Uncollectibles written off during the year		
7	Other debits is (explain in a note)		
8	Total debits	0	0
9	Balance at end of the year	\$0	\$0

Explain in a note the basis used to determine the accruals charged to account 5302.

24. NOTES RECEIVABLE AND NOTES RECEIVABLE ALLOWANCE

List the information for each affiliate, and also the ten largest nonaffiliate debtors. Aggregate all other nonaffiliate notes receivable.

Line No.	Name of Debtor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)
1	Account 1200.1 Notes Receivable from Affiliated Companies:					%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	Total				\$0	xxx
	Account 1200.2 Other Notes Receivable:					
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	Aggregate of all other items					xxx
24	Total				\$0	xxx

Explain in a note the basis used to determine the accruals charged to Account 6790.

Line No.	Particulars (a)	Affiliates (b)	Nonaffiliates (c)
25	Balance at beginning of the year		
26	Accruals charged to account 6790		
27	Collection of amounts previously written off		
28	Other credits (explain in a note)		
29	Total credits	0	0
30	Uncollectibles written off during the year		
31	Other debits (explain in a note)		
32	Total debits	0	0
33	Balance at end of the year	\$0	\$0

25. INVENTORIES

1. Report the amount of inventories at the beginning and at the end of the year under titles which are indicative of the character of the material included.

2. Summarize inventorying practices, indicating particularly the program therefor and the accounting for overages and shortages.

Line No.	Class of Material (a)	Amount at Beginning of Year (b)	Amount at End of Year (c)
Subaccount 1220.1, Material and Supplies:			
1	Pole Lines	\$17,195	\$21,443
2	Cable Strand	43,443	31,252
3	Wire	2,282	4,883
4	Terminals	8,239	8,836
5	Station Connectors	10,673	20,636
6	Hardware	12,216	24,628
7	Fiber Optic Cable	62,719	209,770
8	Miscellaneous Supplies	35,608	62,465
9			
10			
11			
12	Total	\$192,375	\$383,913
Subaccount 1220.2, Property Held for Sale or Lease:			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total	\$0	\$0
27	Grand Total	\$192,375	\$383,913

26. PREPAID TAXES AND TAX ACCRUALS

1. List in column (a) and furnish appropriate data with respect to each type of tax for which the company was liable on its own behalf during the year. When entries with respect to any type of tax are applicable to more than one year, the required information for all columns shall be shown separately for each such year.
2. Taxes should be grouped so as to show whether the taxes are federal, state or local.

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
1	Federal:								
2	Income Taxes		\$54,797	7220	\$5,144				\$61,019
3				7420	1,696		618		
4									
5									
6									
7									
8									
9									
10	Social Security			6570	163,195	163,195			
11									
12									
13	Unemployment			6570	1,618	1,618			
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	Subtotal	\$0	\$54,797		\$171,653	\$164,813	\$618	\$0	\$61,019

26. PREPAID TAXES AND TAX ACCRUALS (Continued)

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	During the Year				Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
				Acct. Chg.. (d)	Amount (e)				
28	State:								
29	Gross Earnings		707	7240	9,320	10,273			(246)
30	Gross Income		4,793	7240	37,466	43,150			(891)
31	Franchise			7240	21,841	15,354			6,487
32	Unemployment			6570	6,369	6,369			
33	Disability Insurance								
34	Other								
35									
36									
37									
38									
39									
40									
41									
42	Local:								
43	Gross Receipts								
44	Property	49,415			139,329	130,216		40,302	
45	Other								
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									
56	Total	\$49,415	\$60,297	xxxx	\$385,978	\$370,175	\$618	\$40,302	\$66,369

27. DEFERRED INCOME TAXES-Dr.

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Property Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
1		\$0		\$0	\$0	\$0	\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						
10							\$0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$0	7250	\$0	\$0	\$0	\$0
19	Total Property Related Deferred Operating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

27. DEFERRED INCOME TAXES-Dr. (Continued)

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						
29	Deferred Compensation	\$51,000	7250	(\$17,680)			\$33,320
30	Lifeline	1530	7250		1469		61
31	RTB Stock	53129	7250		4400		48,729
32	NY Access Pool	7,820	7250		7,507		313
33	Pension	418172	7250	38367		50131	506,670
34	NOL C/F	91210	7250			2076	93,286
35							0
36	Total	\$622,861	7250	\$20,687	\$13,376	\$52,207	\$682,379
37	Total Nonproperty Related Deferred Operating Income Taxes - Dr.	\$622,861		\$20,687	\$13,376	\$52,207	\$682,379
	Property Related						
	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)						
38			7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)						
44			7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	Total	\$0		\$0	\$0	\$0	\$0
50	Total Property Related Deferred Nonoperating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)						
51			7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))						
57			7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	Total	\$0		\$0	\$0	\$0	\$0
62	Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.
3. State below the option selected for the investment tax credit, (1) reduction to rate base, or (2) reduction of cost of service for rate purposes in accordance with Section 46(e) of the Internal Revenue Code.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
Property Related							
Current Deferred Operating Income Taxes-Cr. (Account 4100)							
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)							
10	Plant	\$1,002,115	7250	\$7,988			\$1,010,103
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$1,002,115	7250	\$7,988	\$0	\$0	\$1,010,103
19	Total Property Related Deferred Operating Income Taxes-Cr.	\$1,002,115		\$7,988	\$0	\$0	\$1,010,103
Nonproperty Related							
Current Deferred Operating Income Taxes-Cr. (Account 4100)							
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	Nonproperty Related						
	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
29							\$0
30							0
31							0
32							0
33							0
34							0
35							0
36	Total	\$0	7250	\$0	\$0	\$0	\$0
37	Total Nonproperty Related Deferred Operating Income Taxes - Cr.	\$0		\$0	\$0	\$0	\$0
	Operating Investment Tax Credit (Account 4320)						
38							\$0
39							0
40							0
41							0
42							0
43							0
44	Total	\$0	7210	\$0	\$0	\$0	\$0
	Property Related						
	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
45			7450				\$0
46							0
47							0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
52			7450				\$0
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	Total	\$0		\$0	\$0	\$0	\$0
59	Total Property Related Deferred Nonoperating Income Taxes-Cr.	\$0		\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
60	Nonproperty Related						
	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
60			7450				\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	Total	\$0		\$0	\$0	\$0	\$0
	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
67	Unrealized Gain / Loss	(36,203)	7450			20,180	\$0
68							(16,023)
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	Total	(\$36,203)		\$0	\$0	\$20,180	(\$16,023)
74	Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.	(\$36,203)		\$0	\$0	\$20,180	(\$16,023)
75	Nonoperating Investment Tax Credit (Account 4330)						
76							\$0
77							0
78							0
79							0
80							0
81	Total	\$0	7410	\$0	\$0	\$0	\$0

29. EXCESS/DEFICIENT DEFERRED FEDERAL INCOME TAX BALANCES *

1. Report below the specified excess/deficient accumulated deferred Federal income taxes as of December 31 of the reporting year.
2. Protected amounts are those accumulated deferred taxes that are depreciation related and are protected from rapid write-back by Section 203 (E) of the Tax Reform Act of 1986.
3. Unprotected amounts are those accumulated deferred taxes that are not subject to Section 203(e) of the Tax Reform Act of 1986.
4. Excess/deficient deferred taxes result when there is a reduction/increase in the statutory income tax rate (e.g. TRA-86 and (Revenue Reconciliation Act of 1993) and the deferred tax balances provided are greater/less than the enacted tax rate, all calculated on a vintage year basis.

Line No.	Item (a)	Debits			Credits		
		Account 1360 (b)	Account 1510 (c)	Total (d)	Account 4100 (e)	Account 4340 (f)	Total (g)
1	Protected Excess Deferred FIT Balance			\$0			\$0
2	Unprotected Excess Deferred FIT Balance			0			0
3	Total Excess Deferred FIT Balance	\$0	\$0	\$0	\$0	\$0	\$0
	Excess Deferred FIT Balance Related to:						
4	1986 and Prior Vintage Assets			\$0			\$0
5	1987 to Current Vintage Assets			0			0
6	Deficient Deferred FIT Balance			0			0
	Average Remaining Amortization Period for:						
7	Protected Excess Deferred FIT Balance						
8	Unprotected Excess Deferred FIT Balance						
9	Deficient Deferred FIT Balance						
10	Total Embedded Deferred FIT			\$0			\$0

* NOTE: Do not include deferred Federal income taxes recorded purely from the implementation of FAS-109, "Accounting for Income Taxes"

30. Investments in Affiliated Companies

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be propriety, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Item (A)	Date of Acquisition (B)	Acquisition Cost (C)	Type Of Security (D)	Amount of Inv. Beg of Year (E)	Invests Retired During Year (F)	Gain or loss on disposition (G)
1	Investment in Aff. - Holland Wireless (9/1401.13 & .135 & .136)	1997	\$150	C	\$607		
2	Investment in Aff. - Oneida County Long Distance (9/1401.14 & .145 & .146)	1995	1,000	C	27,450		
3	Investment in Aff. - Holland Internet (9/1401.15 & .155 & .156)	1997	200	C	84,144		
4	Investment in Aff. - Northland Networks (9/1401.16 & .165)	1996	200	C	1,180,841		
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total	XXXXXXXX	\$1,550	XXXXXXXX	\$1,293,042	\$0	\$0

30. Investments in Affiliated Companies

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be proprietary, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Percent of Ownership (H)	Equity Method			Cost Method			Amount of Investments End of Year (O)
		Equity in Earnings Of Affiliated Companies Account 7355 (I)	Dividends Declared (J)	Other Adjustments and Amortizations (K)	Dividend Income Account 7310 (L)	Decline in Value of Investments		
						Temporary Account 4540 (M)	Permanent (N)	
1		(\$79)						\$528
2		(10,343)						17,107
3		16,353						100,497
4		109,721						1,290,562
5								0
6								0
7								0
8								0
9								0
10								0
11								0
12								0
13								0
14								0
15								0
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26	XXXXXXXX	\$115,652	\$0	\$0	\$0	\$0	\$0	\$1,408,694

31. INVESTMENTS

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the description of each security or other investment. The entries for accounts 1401.2 and 1402 should be identified by company, and separately listed by symbols to be indicated in column (a): A-1 Stocks of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$100,000 each in the case of Class A companies, or \$10,000 in case of class B companies, may be shown as a balancing amount on the line immediately preceding the total of account 1402. (By an inactive company is meant one which has been practically absorbed in a controlling company, and which neither operates properly nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investment at Beginning of the Year (c)	Book Cost of Investment Made During the Year (d)
1		<u>Account 1401.2. Advances to Affiliated Companies:</u>		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$0	\$0
19		<u>Account 1402. Investments in Nonaffiliated Companies:</u>		
20		Exponential (9/1402.23)	\$25,000	
21		Verizon (9/1402.21)	20,529	
22		Fairpoint - verizon spinoff (9/1402.212)	76	
23		Unrealized Gain - FASB (9/1402.28)	(258,436)	
24		M Griffith (9/1402.25)	151,955	
25		M Griffith (9/1402.26)	770,291	28,483
26		RTB (1402.1, 1402.11, 1402.12)	0	
27		Rochester Funds (9/1402.27, 9/1402.271, 9/1402.272, 9/1402.273, 9/1402.274)	3,205,468	108,085
28		NECA (9/1402.29)	10,000	
29		Phoenix (9/1402.274)	98	
30		Federal Home Mtg (9/1402.33)	24,090	
31		Fifth Third Cap (9/1402.34)	55,000	
32		Virtus (9/1402.213)	449	
33		Ascent Wealth Partners (9/1402.215)	0	47,000
34		Franklin Income Funds (9/1402.276, 9/1402.277, 9/1402.278)	0	1,396,753
35				
36				
37		Total Account 1402	\$4,004,520	\$1,580,321

31. INVESTMENTS (Continued)

2. In column (i), enter an appropriate symbol with respect to each investment that is pledged as security for an obligation of the respondent or is subject to any other restrictions as to disposition, and furnish particulars in a note.
3. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
4. The book cost of investments transferred from other accounts shall be reported in column(d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.

Line No.	Book Cost of Investments Disposed of During the Year (e)	INVESTMENTS AT END OF YEAR		% of Total Voting Rights in Affiliates (h)	Lien References (i)	Gain (G) or Loss (L) from Investments Disposed of (j)	Interest or Dividends Credited to Income During the Year Account 7310, 7320 (k)
		Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)				
1		\$0					
2		0					
3		0					
4		0					
5		0					
6		0					
7		0					
8		0					
9		0					
10		0					
11		0					
12		0					
13		0					
14		0					
15		0					
16		0					
17		0					
18	\$0	\$0				\$0	\$0
19		\$25,000					
20	1,273	19,256	510			(17)	1,317
21	76	0					
22	(38,910)	(219,526)					
23	(20,445)	172,400					
24	(3,488)	802,262				13,145	18,826
25		0				275	
26	1,406,866	1,906,687	186,152			(51,402)	152,855
27		10,000	1,000				1,250
28		98	978				
29	24,090	0				(21,194)	
30		55,000	2,200				3,987
31	449	0				2,009	
32		47,000					
33		1,396,753	425,227				45,063
34		0					
35		0					
36		0					
37	\$1,369,911	\$4,214,930	616,067			(\$57,184)	\$223,298

32. NONREGULATED INVESTMENTS

1. This account shall include the carrier's investment in nonregulated activities, accounted for as provided in Section 661.14 of the Uniform System of Accounts.

Line No.	Subaccount (a)	Balance Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Subaccount 1406.1 Permanent Investment				\$0
1					0
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
	Subaccount 1406.2 Receivable/Payable				0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
	Subaccount 1406.3 Current Net Income or Loss				0
23					0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	Total	\$0	\$0	\$0	\$0

33. OTHER DEFERRED CHARGES

1. For any deferred charge being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, except for telephone plant acquired, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies. For telephone plant acquired, list only the aggregate amount.
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these charges, the designation "various" may be inserted in column (d) for accounts credited.
5. All transactions for telephone plant acquired included in this account, in accordance with Section 663.2, require analysis on Schedule 15, Analysis of Telephone Plant Acquired.

Line No.	Description of Item (a)	Balance at Beg. of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Credited (d)	Amount (e)	
1						\$0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
11						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27	Totals from Insert Pages					0
28	Total	\$0	\$0		\$0	\$0

34. ACCOUNTS PAYABLE

1. List the information for each affiliate.
2. List the information for each nonaffiliate creditor whose individual balance is 5% or more of the total Other Accounts Payable balance at year end. Do not report more than ten nonaffiliate creditors.
3. Aggregate all other nonaffiliate creditors.

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
Account 4010.1 Accounts Payable to Affiliated Companies:					
1	Northland Telephone Systems, Ltd.	\$13,675	\$182,326	\$180,848	\$12,197
2	Oneida County Telephone Long Distance	3,468	82,406	82,435	3,497
3	Dreamscape Online	3,750	461,687	461,848	3,911
4	Northland Networks	3,060	27,315	14,151	(10,104)
5	Holland Leasing	0	6,000	6,000	0
6	Gaffney Communications	1,999	52,696	51,965	1,268
7	Northland Software	2,068	39,832	39,457	1,693
8					0
9					0
10					0
11					0
12					0
13	Total Accounts Payable to Affiliated Companies	\$28,020	\$852,262	\$836,704	\$12,462
Account 4010.2 Other Accounts Payable:					
14	Power & Tel	\$52,079	\$501,972	\$548,291	\$98,398
15	ACM	10,025	236,001	236,651	10,675
16	Great West	0	35,995	46,586	10,591
17	Northwestern Mutual	8,836	109,508	109,874	9,202
18					0
19					0
20					0
21					0
22					0
23					0
24					0
25					0
26					0
27	Aggregate of all other items	108,958	5,995,615	5,919,126	32,469
28	Total Other Accounts Payable	\$179,898	\$6,879,091	\$6,860,528	\$161,335

35. NOTES PAYABLE

1. List the information for each affiliate note.
2. List the information for each nonaffiliate note whose balance is 5% or more of the Other Notes Payable balance at year end. Do not include more than the ten largest nonaffiliate creditors.
3. Aggregate all other nonaffiliate notes.

Line No.	Name of Creditor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate per Annum (f)
	Account 4020.1 Notes Payable to Affiliated Companies:					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Total				\$0	xxxxx
	Account 4020.2 Other Notes Payable:					
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Aggregate of all other items					
31	Total				\$0	xxxxx

36. Long Term Debt

1. List by balance sheet account debt held in Accounts 4050, 4210, 4260, 4270. Provide the particulars regarding each obligation within those accounts.
2. Explain any interest charged other than to account 7510.1.
3. Explain any debits and credits other than amortizations debited to account 7530, account 7510.2, or credited to account 7510.3.

Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations	
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2
1	Account 4050, Current Maturities - Debt										
2											
3											
4											
5											
6											
7											
8											
9											
10											
11	Total			\$0							
12	Account 4210, Funded Debt										
13	4210.1 RUS Mortgage Note (12050 & 12051)	1/1/1996	2011	\$0	5.00%	977					
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27											
28											
29											
30											
31											
32											
33											
34											
35											
36											
37											
38	Subtotal			\$0		\$977	\$0	\$0	\$0	\$0	\$0

36. Long Term Debt											
Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations	
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2
38	Account 4210, Funded Debt (Continued)										
39											
40											
41											
42											
43											
44											
45	Total			\$0							
46											
47	Account 4260, Advances from Affiliated Companies										
48											
49											
50											
51											
52											
53											
54	Total			\$0							
55											
56	Account 4270, Other Long-Term Debt										
57	9/4270.1 Peter & Sharon McCarthy	2/8/1994	2023	\$818,412	6.00%	48,228					
58	4270.5 Oneida Savings Bank	5/5/2011	2018	2,530,388	4.95%	120,129					
59											
60											
61											
62											
63											
64											
65											
66											
67											
68											
69											
70											
71											
72											
73											
74											
75	Total			\$3,348,800							
76											
77											
78											
79	Grand Total			\$3,348,800		\$169,334	\$0	\$0	\$0	\$0	\$0

37. CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

1. In column (a) the description of the security should include, as appropriate, the dividend rate (if any) or the interest rate, term and maturity date.
2. In columns (b) and (c) report the cost per unit of the reacquired securities, i.e., the call rate per unit in the case of called securities, the face amount per unit of matured debt, or the average purchase price per unit in the case of other securities required.
3. If securities are reacquired in one year and retired in another, only the data called for in columns (a), (f), and (g) shall be reported for the year in which they are retired.
4. With respect to columns (i) to (n), inclusive: (a) Report disposition of discounts, premiums, and expenses in the year in which the dispositions are made. Do not report normal amortization of amounts includible in accounts 1407, Unamortized Debt Issuance Expense, or 4220, Premium on Long-Term Debt, and 4230, Discount on Long Term Debt, Through charges or credits to accounts 7530, 7510.3 and 7510.2 and (b) if any amounts are to be amortized, state the fact in a note, describe the plan of amortization (including the period thereof), and give references to (1) the public authorities (if any) having jurisdiction over each transaction, (2) their authorization (e.g., case or docket number), and (3) this Commission's approval of the proposed accounting.
5. In the case of securities reacquired or retired in connection with refinancing, identify in a note the year and schedule of the annual report in which the refunding issue is described.

Line No.	Description of Security (a)	REACQUIRED DURING THE YEAR				RETIRED DURING YEAR	
		REACQUISITION COST		Book or Face Amount (d)	No. of Shares of Stock (e)	Book or Face Amount (f)	No. of Shares of Stock (g)
		Per \$100 of Debt (b)	Per Share of Stock (c)				
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12	Total	xxxxxx	xxxxx	\$0	xxxxx	\$0	xxx

Line No.	Effective Date of Call (if any) (h)	DISPOSITION OF						Remarks (o)
		Unamortized Discount (D) or Premium (P)		Redemption Premium (P) or Discount (D) and Expense		Reacquisition or Redemption Expenses		
		Acct. (i)	Amount (j)	Acct. (k)	Amount (l)	Acct. (m)	Amount (n)	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12	xxxx	xxxx	\$0	xxxx	\$0	xxxx	\$0	

38. Other Long-Term Liabilities

Show separately, by subsidiary record category, amounts accrued to provide for such items as unfunded pensions, death benefits, deferred compensation costs and other long-term liabilities not provided for elsewhere

Line No.	Account (or description of item) (a)	Balance at Beginning of Year (b)	Credits During Year		Debits During Year		Balance at End of Year (g)
			Contra Acct. No. (c)	Amount (d)	Contra Acct. No. (e)	Amount (f)	
1	Deferred Compensation (4310.371)	\$150,000	Various		1130	\$52,000	\$98,000
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9							0
10							0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18							0
19							0
20							0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28							0
29							0
30							0
31							0
32							0
33							0
34							0
35							0
36	Totals	\$150,000		\$0		\$52,000	\$98,000

39. OTHER DEFERRED CREDITS

1. For any deferred credit being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies.
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these credits, the designation "various" may be inserted in column (c) for accounts debited.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End at End of Year (f)
			Acct. Dr. (c)	Amount (d)		
1	TRA-86	\$6,550	7250	\$6,288		\$262
2	NY Access Pool	23,000	5001	22,080		920
3	Lifeline	4,500	5001	4,320		180
4	RTB Stock	156,261	6564	12,941		143,320
5	Pension	114,428	7370			114,428
6						0
7						0
8						0
9						0
10						0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30		\$304,739	x x x	\$45,629	\$0	\$259,110

40. CAPITAL STOCK

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars concerning shares of any class and series of stock authorized to be issued by the Commission which have not yet been issued.
4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. Give particulars of any issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.
6. For columns (g) and (h) indicate by footnote if stock held by respondent is held in sinking or other funds.

Line No.	Class and Series of Stock (a)	Number of shares authorized by Articles of Incorporation (b)	OUTSTANDING PER BALANCE SHEET*				HELD BY RESPONDENT		DIVIDENDS DURING YEAR	
			Number of shares (c)	Par or stated value per share (d)	Amount (e)	Additional Paid in Capital (Acct. 4520) (f)	Shares (g)	Cost (Account 4530) (h)	Declared (i)	Paid (j)
1	<u>Account 4510.1 Capital Stock-Common</u>									
	Common - No Par Value	3,000	1,702	50	\$85,100		804	\$1,332,075	\$1,797	\$1,797
2										
3										
4										
5										
6										
7										
8										
9	TOTALS (Account 4510.1)	3,000	1,702	xxxxxxx	\$85,100	\$0	804	\$1,332,075	\$1,797	\$1,797
10	<u>Account 4510.2 Capital Stock-Preferred</u>									
	Preferred - 6% Capital Stock	4,000	663	\$50	\$33,150				\$1,989	\$1,989
11										
12										
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	4,000	663	xxxxxxx	\$33,150	\$0	0	\$0	\$1,989	\$1,989

41. ANALYSIS OF ENTRIES IN OTHER CAPITAL AND RETAINED EARNINGS ACCOUNTS

1. Report separately by accounts particulars with respect to the major items entered in any of the following accounts during the year: Account 4520, Additional Paid-in Capital; Account 4530, Treasury Stock; Account 4540, Other Capital; and Account 4550.5, Appropriations of Retained Earnings, and Account 4550.8, Adjustments to Retained Earnings.
2. With respect to prior period adjustments included in Account 4550.8, Adjustments to Retained Earnings, show in column (a) a description of the item, the reason for the adjustment, and the amount applicable to each year.
(See also Section 661.17,' General Instructions of the Uniform System of Accounts).
For all items in this account cite the date of Commission approval and authorization (e.g.. Case or Docket No.).
3. The aggregate of all other items in each account shall be reported on a separate line immediately preceding the total for the account.

Line No.	Particulars (a)	Account Included In (b)	Debits (c)	Credits (d)
1	Unrealized Gain / (Loss) - FAS115	9/4540		39,175
2	Other Comprehensive Income - FAS158	4540.5	97,313	
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
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48				
49				
50				

42. OPERATING REVENUES			
Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
LOCAL NETWORK SERVICES REVENUES			
1	5001 Basic Area	\$711,961	\$770,152
2	5002 Optional Extended Area Service		
3	5003 Cellular Mobile		
4	5004 Other Mobile Services		
5	5010 Public Telephone		
6	5040 Local Private Line		
7	5050 Customer Premises		
8	5060 Other Local Exchange	32,082	37,677
9	5069 Other Local Exchange Settlements		
10	Total Local Network Services Revenues	744,043	807,829
NETWORK ACCESS SERVICES REVENUES			
11	5081 End User	220,000	236,753
12	5082 Switched Access	675,693	764,838
13	5083 Special Access	237,870	205,376
14	5084 State Access	249,148	183,097
15	Total Access Services Revenues	1,382,711	1,390,064
LONG DISTANCE NETWORK SERVICES REVENUES			
16	5100 Long Distance Message	1,508	2,553
17	5111 Long Distance Inward-Only		
18	5112 Long Distance Outward-Only		
19	5121 Subvoice Grade Long Distance Private Network		
20	5122 Voice Grade Long Distance Private Network		
21	5123 Audio Program Grade Long Distance Private Network		
22	5124 Video Program Grade Long Distance Private Network		
23	5125 Digital Transmission Long Distance Private Network		
24	5126 Long Distance Private Network Switching		
25	5128 Other Long Distance Private Network		
26	5129 Other Long Distance Private Network Settlements		
27	5160 Other Long Distance		
28	5169 Other Long Distance Settlements	240,864	227,710
29	Total Long Distance Network Services Revenues	242,372	230,263
MISCELLANEOUS REVENUES			
30	5230 Directory	12,666	17,646
31	5240 Rent	38,729	38,696
32	5250 Corporate Operations		
33	5261 Special Billing Arrangements		
34	5262 Customer Operations		
35	5263 Plant Operations		
36	5264 Other Incidental Regulated	3,145	4,334
37	5269 Other Settlements		
38	5270.1 Interstate Billing and Collection	18,650	18,148
39	5270.2 Intrastate Billing and Collection	40,153	45,964
40	5280 Nonregulated	353,251	858,872
41	Total Miscellaneous Revenues	466,594	983,660
UNCOLLECTIBLE REVENUES			
42	5301 Uncollectible-Telecommunications		
43	5302 Uncollectible-Other	15,643	1,440
44	Total Uncollectible Revenues	15,643	1,440
45	TOTAL OPERATING REVENUES	\$2,820,077	\$3,410,376
46	FOOTNOTE: USF Revenues (\$1,101.00)	XXXXXXXXXX	XXXXXXXXXX
47	Recorded in Account: 5082.17	XXXXXXXXXX	XXXXXXXXXX

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44. OPERATING EXPENSES BY CATEGORY

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)
<u>Plant Specific Operations</u>			
<u>Network Support Expenses</u>			
1	6112 Motor Vehicle		
2	Clearance		
3	Net Balance	0	0
4	6113 Aircraft		
5	Clearance		
6	Net Balance	0	0
7	6114 Special Purpose Vehicles		
8	Clearance		
9	Net Balance	0	0
10	6115 Garage Work Equipment		
11	6116 Other Work Equipment		
12	Clearance		
13	Net Balance	0	0
14	6110 Network Support Expenses	0	0
<u>General Support Expenses</u>			
15	6121 Land and Building	22,096	6,017
16	6122 Furniture and Artworks		
17	6123 Office Equipment		
18	6124 General Purpose Computers		
19	6120 General Support Expenses	22,096	6,017
<u>Central Office Switching Expenses</u>			
20	6211 Analog Electronic		
21	6212 Digital Electronic	64,145	18,788
22	6215 Electro-Mechanical		
23	6210 Central Office Switching Expenses	64,145	18,788
24	6220 Operator Systems Expense		
<u>Central Office Transmission Expenses</u>			
25	6231 Radio Systems		
26	6232 Circuit Equipment	65,998	19,113
27	6230 Central Office Transmission Expenses	65,998	19,113
<u>Information Origination/Termination Expenses</u>			
28	6311 Station Apparatus		
29	6321 Customer Premises Wiring	3,873	1,107
30	6341 Large Private Branch Exchange		
31	6351 Public Telephone Terminal Equipment		
32	6362 Other Terminal Equipment	682	173
33	6310 Information Origination/Termination Expenses	4,555	1,280

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Rents
(d)

0

0

0

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0

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0

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44. OPERATING EXPENSES BY CATEGORY (Continued)					
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.	
<u>Plant Specific Operations</u>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle	4,477	4,477	7,343	1
	Clearance		0	0	2
	Net Balance	4,477	4,477	7,343	3
6113	Aircraft		0	0	4
	Clearance		0	0	5
	Net Balance	0	0	0	6
6114	Special Purpose Vehicles		0	0	7
	Clearance		0	0	8
	Net Balance	0	0	0	9
6115	Garage Work Equipment		0	0	10
6116	Other Work Equipment		0	0	11
	Clearance		0	0	12
	Net Balance	0	0	0	13
6110	Network Support Expenses	4,477	4,477	7,343	14
<u>General Support Expenses</u>					
6121	Land and Building	66,222	94,335	85,953	15
6122	Furniture and Artworks		0	0	16
6123	Office Equipment	6,099	6,099	3,907	17
6124	General Purpose Computers	30,860	30,860	31,191	18
6120	General Support Expenses	103,181	131,294	121,051	19
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic		0	0	20
6212	Digital Electronic	50,857	133,790	123,395	21
6215	Electro-Mechanical		0	0	22
6210	Central Office Switching Expenses	50,857	133,790	123,395	23
6220	<u>Operator Systems Expense</u>		0		24
<u>Central Office Transmission Expenses</u>					
6231	Radio Systems		0	0	25
6232	Circuit Equipment	124,124	209,235	160,221	26
6230	Central Office Transmission Expenses	124,124	209,235	160,221	27
<u>Information Origination/Termination Expenses</u>					
6311	Station Apparatus		0	0	28
6321	Customer Premises Wiring	3,905	8,885	5,760	29
6341	Large Private Branch Exchange		0	0	30
6351	Public Telephone Terminal Equipment		0	0	31
6362	Other Terminal Equipment	1,312	2,167	1,886	32
6310	Information Origination/Termination Expenses	5,217	11,052	7,646	33

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)
	Plant Specific Operations (cont.)		
	<u>Cable and Wire Facilities Expenses</u>		
34	6411 Poles	113	52
35	6421 Aerial Cable	15,622	3,830
36	6422 Underground Cable		
37	6423 Buried Cable	15,616	4,621
38	6424 Submarine Cable		
39	6425 Deep Sea Cable		
40	6426 Intrabuilding Network Cable		
41	6431 Aerial Wire	477	124
42	6441 Conduit Systems		
43	6410 Cable and Wire Facilities Expenses	31,828	8,627
44	Total Plant Specific Operations Expense	188,622	53,825
	Plant Nonspecific Operations		
	<u>Other Property, Plant & Equipment Expenses</u>		
45	6511 Property Held for Future Telephone Use		
46	6512 Provisioning		
47	Clearance		
48	Net Balance	0	0
49	6510 Total Other Property, Plant & Equipment Expenses	0	0
	<u>Network Operations Expenses</u>		
50	6531 Power	1,998	594
51	6532 Network Administration		
52	6533 Testing	5,256	1,524
53	6534 Plant Operations Administration	19,063	5,528
54	Clearance		
55	Net Balance	19,063	5,528
56	6535 Engineering	78,748	23,161
57	Clearance		
58	Net Balance	78,748	23,161
59	6530 Network Operations Expense	105,065	30,807
60	6540 Access Expense		
	<u>Depreciation & Amortization Expenses</u>		
61	6561 Depreciation-TPIS		
62	6562 Depreciation-Property Held for Future Tel.. Use		
63	6563 Amortization-Tangible		
64	6564 Amortization-Intangible		
65	6565 Amortization-Other		
66	6560 Depreciation & Amortization Expenses		
67	Total Plant Nonspecific Operations Expense	105,065	30,807

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
Plant Specific Operations (cont.)				
<u>Cable and Wire Facilities Expenses</u>				
6411 Poles	2,018	2,183	5,229	34
6421 Aerial Cable	248,285	267,737	669,048	35
6422 Underground Cable		0	0	36
6423 Buried Cable	38,942	59,179	30,441	37
6424 Submarine Cable		0	0	38
6425 Deep Sea Cable		0	0	39
6426 Intrabuilding Network Cable		0	0	40
6431 Aerial Wire	581	1,182	1,673	41
6441 Conduit Systems		0	0	42
6410 Cable and Wire Facilities Expenses	289,826	330,281	706,391	43
Total Plant Specific Operations Expense	577,682	820,129	1,126,047	44
<u>Plant Nonspecific Operations</u>				
<u>Other Property, Plant & Equipment Expenses</u>				
6511 Property Held for Future Telephone Use		0	0	45
6512 Provisioning		0	0	46
Clearance		0	0	47
Net Balance	0	0	0	48
6510 Total Other Property, Plant & Equipment Expenses	0	0	0	49
<u>Network Operations Expenses</u>				
6531 Power	58,495	61,087	72,553	50
6532 Network Administration	5,081	5,081	4,458	51
6533 Testing	3,912	10,692	9,684	52
6534 Plant Operations Administration	293	24,884	20,266	53
Clearance		0	0	54
Net Balance	293	24,884	20,266	55
6535 Engineering	18,336	120,245	107,317	56
Clearance		0	0	57
Net Balance	18,336	120,245	107,317	58
6530 Network Operations Expense	86,117	221,989	214,278	59
6540 Access Expense	49,237	49,237	49,411	60
<u>Depreciation & Amortization Expenses</u>				
6561 Depreciation-TPIS	567,983	567,983	599,441	61
6562 Depreciation-Property Held for Future Tel.. Use		0	0	62
6563 Amortization-Tangible	308	308	353	63
6564 Amortization-Intangible	(12,941)	(12,941)	(12,943)	64
6565 Amortization-Other		0	0	65
6560 Depreciation & Amortization Expenses	555,350	555,350	586,851	66
Total Plant Nonspecific Operations Expense	690,704	826,576	850,540	67

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)
<u>Customer Operations</u>			
<u>Marketing</u>			
68	6611 Product Management		
69	6612 Sales		
70	6613 Product Advertising	846	223
71	6610 Marketing	846	223
<u>Services</u>			
72	6621 Call Completion Services		
73	6622.1 Number Services-Directory Assistance		
74	6622.2 Number Services-Directory Publishing	16	2
75	6623.1 Customer Services-Order Processing & Instruction	16,154	4,265
76	6623.2 Customer Services-Billing and Collections	63,692	16,829
77	6623.3 Customer Services-Public Telephone Expenses		
78	6620 Services	79,862	21,096
79	Total Customer Operations Expense	80,708	21,319
<u>Corporate Operations Expense</u>			
<u>Executive and Planning</u>			
80	6711 Executive	112,888	29,862
81	6712 Planning		
82	6710 Executive and Planning	112,888	29,862
<u>General & Administrative</u>			
83	6721 Accounting & Finance	165,679	43,625
84	6722 External Relations		
85	6723 Human Resources	8,738	2,309
86	6724 Information Management	6,562	1,731
87	6725 Legal		
88	6726 Procurement		
89	6727 Research and Development		
90	6728 Other General & Administrative		
91	6720 General & Administrative	180,979	47,665
92	6790 Provision for Uncollectible Notes Receivable		
93	Total Corporate Operations Expenses	293,867	77,527
94	TOTAL OPERATING EXPENSES	\$668,262	\$183,478

December 31, 2011

Rents
(d)

\$

[Shaded area]

\$0

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<u>Customer Operations</u>				
	\$	\$	\$	
<u>Marketing</u>				
6611	Product Management	0	0	68
6612	Sales	0	0	69
6613	Product Advertising	8,193	9,262	70
6610	Marketing	8,193	9,262	71
<u>Services</u>				
6621	Call Completion Services	2,434	2,434	72
6622.1	Number Services-Directory Assistance	0	0	73
6622.2	Number Services-Directory Publishing	12,719	12,737	74
6623.1	Customer Services-Order Processing & Instruction	16,485	36,904	75
6623.2	Customer Services-Billing and Collections	71,559	152,080	76
6623.3	Customer Services-Public Telephone Expenses	0	0	77
6620	Services	103,197	204,155	78
	Total Customer Operations Expense	111,390	213,417	79
<u>Corporate Operations Expense</u>				
<u>Executive and Planning</u>				
6711	Executive	43,836	186,586	80
6712	Planning	0	0	81
6710	Executive and Planning	43,836	186,586	82
<u>General & Administrative</u>				
6721	Accounting & Finance	141,773	351,077	83
6722	External Relations	16,696	16,696	84
6723	Human Resources	19,371	30,418	85
6724	Information Management	8,293	8,103	86
6725	Legal	28,050	28,050	87
6726	Procurement	0	0	88
6727	Research and Development	0	0	89
6728	Other General & Administrative	56,231	56,231	90
6720	General & Administrative	262,121	490,765	91
6790	Provision for Uncollectible Notes Receivable	0	0	92
	Total Corporate Operations Expenses	305,957	677,351	93
	TOTAL OPERATING EXPENSES	\$1,685,733	\$2,537,473	94

223-95

45. TAXES CHARGED DURING YEAR

1. Show the account distribution of total taxes charged to operations and to other final accounts during the year. Taxes charged to Account 7240 must be separated into intrastate and interstate operations.
2. Do not include gasoline and other sales taxes which have been charged to accounts to which was charged the material on which the tax was levied.
3. For taxes charged to telecommunications plant, show only the number of the appropriate balance sheet plant account.

Line No.	Kind of Tax (a)	Total taxes charged during year (b)	Account 7220 (c)	Account 7420 (d)	Account 7630 (e)	Account 7240 Intrastate (f)	Account 7240 Interstate (g)
	Federal Taxes:						
1	Income	6,840	5,144	1,696			
2	FICA-Contribution	163,195					
3	Unemployment	1,618					
4	Other:						
5							
6	Total	\$171,653	\$5,144	\$1,696	\$0	\$0	\$0
	State Taxes:						
7	Franchise-Gross Income-186a						
8	Franch.-Gross Inc.-Access Charges	37,466				22,704	14,762
9	Franchise-Gross Earnings-184	9,320				5,648	3,672
10	Franchise-Excess Div.-186	21,841				13,236	8,605
11	Temporary Surcharges-						
12	Sec. 186a (Gross Income)						
13	Sec. 184 (Gross Earnings)						
14	Sec. 186 (Excess Dividend)						
15	MTA Surcharge						
16	Unemployment Insurance	6,369					
17	Disability Insurance						
18	Sales and Use						
19	Other						
20	Total	\$74,996	\$0	\$0	\$0	\$41,588	\$27,039
21	Local Taxes:						
22	Real Estate	\$139,329				\$84,433	\$54,896
23	Special Franchise						
24	Municipal Gross Income						
25	NYC-Spec. Franchise						
26	Motor Vehicle						
27	Other						
28							
29	Total	\$139,329	\$0	\$0	\$0	\$84,433	\$54,896
30	Other (list):						
31	Regulatory Fees	2,173				1,317	856
32							
33	Totals	\$388,151	\$5,144	\$1,696	\$0	\$127,338	\$82,791

45. TAXES CHARGED DURING YEAR (Continued)

4. For any tax which it was necessary to apportion to more than one of the accounts shown, state hereunder the basis of apportioning such tax.
5. Taxes not includable in the accounts listed below should be itemized in column (l) along with the applicable account to be charged indicated in column (k).
6. Itemize significant amounts included under the "Other" caption in column (a). Class A companies must itemize individual charges greater than \$1,000,000, and Class B companies must itemize amounts greater than \$25,000.

Line No.	Kind of Tax (a)	Account 7440 (h)	Account 2003 2004 (i)	Account 2001 (j)	Other	
					Account Number (k)	Amount (l)
	Federal Taxes:					
1	Income					
2	FICA-Contribution				6570	\$163,195
3	Unemployment				6570	1,618
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	\$164,813
	State Taxes:					
7	Franchise-Gross Income-186a					
8	Franch.-Gross Inc.-Access Charges					
9	Franchise-Gross Earnings-184					
10	Franchise-Excess Div.-186					
11	Temporary Surcharges-					
12	Sec. 186a (Gross Income)					
13	Sec. 184 (Gross Earnings)					
14	Sec. 186 (Excess Dividend)					
15	MTA Surcharge					
16	Unemployment Insurance				6570	6,369
17	Disability Insurance					
18	Sales and Use					
19	Other					
20	Total	\$0	\$0	\$0	XXXXXXX	\$6,369
21	Local Taxes:					
22	Real Estate					
23	Special Franchise					
24	Municipal Gross Income					
25	NYC-Spec. Franchise					
26	Motor Vehicle					
27	Other					
28						
29	Total	\$0	\$0	\$0	XXXXXXX	\$0
30	Other (list):					
31						
32						
33	Totals	\$0	\$0	\$0	XXXXXXX	\$171,182

46. MISCELLANEOUS TAX REFUNDS

1. Report below particulars concerning all tax refunds received or used as a reduction of taxes payable during the year which are not more than \$1.5 million or do not exceed \$1,000 and 0.2% of the utility's operating revenues. This information is requested in compliance with Section 89.3, Notification Concerning Tax Refunds, of 16 NYCRR. This report shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication, or rulemaking (such as refunds for overpayment of estimated taxes, and carrybacks of net operating losses and investment tax credits).
2. In determining whether a refund exceeds 0.2% of operating revenues for purposes of this report, the operating revenues of a telecommunication utility shall not include interstate revenues.
3. In determining whether a refund meets the criteria stated in Instruction 1 above, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation, legislation, adjudication
4. or rulemaking. In this report, the utility also shall either propose a method of distributing to its customers the entire amount refunded or show why it should not make such a distribution.

Line No.	Description of Item (a)	Amount (b)
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31		
32		
33		
34		
35	Total	\$0

47. RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal Income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
2. If the telecommunication company is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (a)	Amount (b)
1	Net Income for the Year per Income Statement (Schedule 12, line 48)	\$211,035
	Income Taxes Accrued:	
2	7220	5,144
3	7250	(7,687)
4	7420	1,696
5	7450	
6		
7		
8		
9		
10	Less: Nonregulated Income	
11		
12		
13		
14		
	Other reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and nontaxable income):	xxxxxxxxxxxx
15	Additional Income & Unallowable Deductions:	xxxxxxxxxxxx
16	Salvage	\$11,620
17	Non-Deductible Meals	431
18	Book > Tax Depreciation	93,155
19	Pension Adjustment	112,845
20		
21		
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Cost of Removal	\$6,929
26	Bad Debt Adjustment	3,581
27	Equity in Affiliates	99,377
28	Deferred Compensation	52,000
29	Regulatory Adjustment	26,400
30	Tax - Exempt Interest Income	155,529
31	Dividend Received Deductions	47,438
32		
33	Federal tax net income	\$36,985
	Computation of tax:	xxxxxxxxxxxx
34	Tax	\$5,548
35	Adjustment of Prior Year Accrual	(404)
36		
37		
38		
39	Computed Federal Income Tax	\$5,144

48. SPECIAL CHARGES

Report below all expenditures incurred during the year for the purpose of lobbying (see paragraph (1) of account in USOA); contributions for charitable, social or community welfare purposes; penalties and fines paid on account of violations of statutes; and abandoned construction projects. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies.

Line No.	Description of Item (a)	Amount (b)
1	Miscellaneous Contributions	\$7,626
2	Dues, Memberships	119
3	Cash Surrender Value of Life Insurance Policies	(30,761)
4		
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43		
44	Totals from Insert Pages	
45	Total	(\$23,016)

49. OTHER INTEREST DEDUCTIONS

1. From each affiliated company to which interest on debt was incurred during the year show the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, and (e) other debt, and total interest. Explain the nature of the other debt on which interest was incurred during the year.
2. Report the amount and interest rate for each class of debt on which other interest charges were incurred during the year.

Line No.	Description of Item (a)	Amount (b)
	Account 7540.1 Other Interest Deductions-Affiliated Companies	
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	Total Other Interest Deductions-Affiliated Companies	\$0
	Account 7540.2 Other Interest Deductions	
14	Other Interest Deductions (7540.2) Late Fees	\$267
15	Customer Interest (7540.3) Rate 1.60%	17
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	Total Other Interest Deductions	\$284

50. OTHER NONOPERATING INCOME

Give the nature and source of each item recorded in this account, before taxes, and the amount thereof for the year. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies.

Line No.	Description of Item (a)	Amount (b)
1	Gain (Loss) on Sale of Stock	(\$57,459)
2	Gain on Sale of Scrap Metal	275
3		
4		
5		
6		
7		
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42		
43		
44		
45	Total	(\$57,184)

51. EXTRAORDINARY ITEMS

1. Show in column (a), separately by accounts, a brief description of each item in accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges. Report the applicable income tax effect in column (d).
2. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Incl. in Accounts	
				7630	7640
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	Totals	\$0	\$0	\$0	\$0

51A. CONTINGENT LIABILITIES

1. Describe in column (e) the details of all contingent liabilities.
2. In columns (f) through (i) report the accounts used to record the contingent liabilities and the amounts.
3. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (e)	Debits		Credits	
		Account (f)	Amount (g)	Account (h)	Amount (i)
19			\$0		\$0
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	Total	X X X	\$ 0	X X X	\$ 0

52. MEMBERSHIP FEES AND DUES

Line No.	Particulars (a)	NUMBER OF		Amounts (d)
		Organizations (b)	Memberships (c)	
EXPENDITURES CHARGED TO OPERATING EXPENSES				
1	Associations of telecommunications companies	3	3	\$16,611
2	Trade, technical and professional associations	2	2	85
3	Other organizations (specify types):			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	5	5	\$16,696
EXPENDITURES CHARGED TO ACCOUNT 7370				
15	Social and athletic clubs			
16	Service clubs	2	2	119
17	Other organizations (specify type):			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	2	2	\$119

53. Employee Protective Plans

Report a summary of each employee program in effect at any time during the year. This schedule is intended to cover pension, profit sharing, group life insurance, accident and sickness, medical, hospital, prescription drugs, guaranteed annual wage, severance pay, and any other plan maintained for employees (or retirees), but it is not intended to cover such a plan required by law, (e.g. social security).

For each plan report:

1. the identity thereof, and the employee group covered (e.g. management, non-management, executive officers, etc.)
2. whether the benefits are provided through an insurance carrier or directly by the company.
3. the total cost for the year.

Note: If any important change is made with respect to any such plan during the year, give brief particulars.

Plan Group covered Provider Yearly cost	Pension All Employees The Oneida County Telephone Pension Plan \$180,000.00
Plan Group covered Provider Yearly cost	Group Life Insurance Plan All Employees Morgan White Administrators, Inc. \$3,799.00
Plan Group covered Provider Yearly cost	Hospitalization/Major Medical/Dental All Employees Excellus BlueCross BlueShield \$210,410.00

53. Employee Protective Plans (Continued)

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54. ANALYSIS OF PENSION COST

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 thru 21 and lines 29 thru 32 the number of persons covered by the plan at the BEGINNING of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For the above plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on page 85. Use a separate insert sheet if more space is required.

54. ANALYSIS OF PENSION COST (Continued)		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 2,937,526
2	Projected Benefit Obligation	\$ 3,255,575
3	Fair Value of Plan Assets	\$ 1,879,497
4	Unrecognized Transition Amount	\$
5	Unrecognized Prior Service Costs	\$
6	Unrecognized Gains or (Losses)	\$ (1,525,395)
7	Date of Valuation Reported on Lines 1 through 6	6/30/2011
8	Discount Rate	5.50% %
9	Expected Long-Term Rate of Return on Assets	7.50% %
10	Salary Progression Rate (if applicable)	1.00% %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 103301
12	Interest Cost	178563
13	Actual Return on Plan Assets [(Gain) or Loss]	-160165
14	Deferral of Asset Gain or (Loss)	
15	Amortization of Transition Amount	
16	Amortization of Unrecognized Prior Service Cost	
17	Amortization of Gains or Losses	146412
18	Total Pension Cost	\$ 268111
19	Number of Active Employees Covered by Plan	26
20	Number of Retired Employees Covered by Plan	1
21	Number of Previous Employees Vested but Not Retired	21
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution	\$ 246077
23	Actual Contribution*	\$ 275608
24	Maximum Amount Deductible*	\$ 3426130
25	Benefit Payments	\$ N/A
26	Total Pension Cost	\$ 268111
27	Pension Cost Capitalized	\$ N/A
28	Accumulated Pension Asset/Liability at Close of Year	\$ -25139
29	Total Number of Company Employees at Beginning of Policy Year	49
30	Number of Active Employees Covered by Plan.	26
31	Number of Retired Employees Covered by Plan.	1
32	Number of Previous Employees Vested but Not Retired.	21

* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS

1. Report the amount of gains or losses arising from employee termination benefits or settlements, partial settlements, curtailments or suspensions of pensions or pension obligations during the year. If none have occurred, or they qualified as "small settlements" under SFAS-88 and the company elected not to recognize the gain or loss, state "none" on line 5 and complete the applicable sections on the bottom of the form. Use separate forms to report the effect of each event and, if the event affected more than one plan, use separate forms for each plan. These events include:
 - a. purchases of annuity contracts.
 - b. lump-sum cash payments to plan participants.
 - c. other irrevocable actions that relieved the company or the plan of primary responsibility for a pension obligation and eliminates significant risks related to the obligation and assets.
 - d. an event that significantly reduces the expected years future service for present employees who are entitled to receive benefits from that plan or that eliminates the accrual of benefits for some or all of the future services of a significant number of those employees.

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.

2. In line 1-15 report activities for holding company or parent company; on line 16-18 report details for the reporting company.
3. Report on line 1 the amount of overfunding remaining (excess of plan assets, adjusted for accrued or prepaid pension costs, over the Pension Benefit Obligation), if any, from when the company first complied with SFAS-87. The amount should be adjusted by the year-to-date amortization.
4. Report on line 2 the actuarial gains and losses that occurred in prior fiscal years following compliance with SFAS-87 but have not yet been amortized. The amount should be adjusted by the year-to-date amortization.
5. Report on line 3 the actual return on plan assets (the sum of investment income and appreciation).
6. Report on line 4 the expected return on plan assets (a component of the current-year expense calculation, which should be prorated for the elapsed portion of the current year).
7. Report on line 6 the Pension Benefit Obligation (PBO) updated from the previous year-end figure to the settlement date. This amount should reflect the addition of a pro rata portion of the service cost and interest cost and the subtraction of benefit payments. It should also reflect any plan changes made during the year.
8. Convert the basis points and percentages reported on line 7 and 8 to their decimal equivalents before entering them in the formula on line 9.
9. Report on line 17 the applicable Federal income tax rate. Although no tax is currently payable on the gain and loss, it should be reflected because it represents a reduction of future pretax pension expense.

State separately below for each reportable event having occurred since the company's initial compliance with SFAS-87, and for which amortization of deferred gains or losses was not completed by December 31 of last year, the (1) type of event, e.g. settlement or curtailment, (2) date of occurrence, (3) amount of gain or loss originally deferred, (4) period of amortization specified by beginning and ending dates, and (5) amount of the current year's amortization.

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS (Continued)

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
PLAN			
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. _____
	Year-to-date asset gain or (loss):		
3	Actual return	3. _____	
4	Expected return	4. _____	
5	Gain or (loss): (3)-(4)		5. _____ 0
	Year-to-date liability gain or (loss):		
6	PBO at settlement date	6. _____	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. _____	basis points
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. _____	
9	Liability gain or (loss): $\{(6) \times (7) \times (8)\} \times 100$ -- see instructions		9. _____ 0
	Settlement gain or (loss):		
10	Accounting value of obligation which was settled	10. _____	
11	Settlement cost (e.g., price of purchased annuity contract)	11. _____	
12	Settlement gain or (loss): (10)-(11)		12. _____ 0
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. _____ 0
14	Settlement ratio: (10)/(6)		14. _____ 0%
15	Pretax gain recognizable in current income: (13) x (14)		15. _____ 0
REPORTING COMPANY			
16	Portion of amount on line 15 allocated to reporting company		16. _____
	Tax-affected gain:		
17	Tax rate	17. _____ %	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. _____ 0

Explain the basis of allocation used to derive the amount reported on line 16 from that reported on line 15:

For the amount reported on line 16 specify:

- a. the amount recorded as income for the current year
- b. the amount deferred on the balance sheet
- c. amortization period for the deferred amount (specify beginning and ending dates).

Briefly describe the event (e.g., settlement, curtailment or termination with short description of the change) and the date of its occurrence.

If the event involves the purchase of an annuity contract(s), state whether they are participating or nonparticipating contracts. If they are participating, explain the terms and state the cost difference between the contract(s) purchased and identical contracts without the participating feature.

If the event qualified as a "small settlement" under SFAS 88, and the company elected not to recognize the gain or loss, state:

- a. number of employees affected
- b. the cost of the settlement
- c. the amount of PBO settled

56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS

1. Report on Pages 88 through 91, the requested data concerning Postretirement Benefits Other than Pensions (OPEB). For these schedules, the measurement date, calculation of the data requested, and separate reporting for different types of OPEB plans shall be consistent with the disclosure requirements specified in SFAS-106 (Paragraphs 72-89). If the reporting company's OPEB benefits are provided through a joint plan with its parent company or holding company, report under the columnar heading "Total Company" the data applicable to the total plan (i.e., that of the parent or holding company). The columnar heading "New York State Jurisdiction" refers to the New York State jurisdictional operations of the reporting company, exclusive of amounts applicable to subsidiary companies which are subject to the Commission's jurisdiction but are separately reported.
2. The quantification of amounts reported on Lines 1 - 12 shall be as of the date reported on Line 13.
3. Report on Lines 1 - 3 the actuarial present value of benefits attributed employees' service rendered to the date reported on Line 13.
4. Report on Line 4 the amount the OPEB plan(s) could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on Lines 5 and 6, the amounts applicable to OPEB that are recorded in internal reserves, net of their related deferred income tax effect. For New York State Jurisdictional Operations, creation of an internal reserve was required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and OPEB" (issued September 7, 1993).
6. Report on Line 10 the amount of unrecognized net gain or loss (including plan asset gains and losses not yet reflected in the market-related value of the plan assets).
7. Report on Line 11 the amount of unrecognized net asset gain or loss not yet reflected in the market-related value of plan assets.
8. In certain instances, a portion of the New York State Jurisdiction OPEB internal reserve may not be subject to the accrual of interest (e.g. in the company's last rate case a portion of the reserve may have been used to reduce rate base). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
9. Report on Line 14 the discount rate which was used to calculate the obligations reported on Lines 1-3.
10. Report on Line 15 the expected long-term return on plan assets reported on Line 4.
11. Report on Line 21 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on Line 24.
12. The amount reported on Line 24 is to include the amortization of gains and losses arising from changes in assumptions.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page 89. Use a separate insert sheet if more space is necessary.

56A. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

Line No.	Item (a)	Total Company (b)
<u>ANALYSIS OF OPEB COSTS</u>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ _____
2	Other Fully Eligible Plan Participants	\$ _____
3	Other Active Plan Participants	\$ _____
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ _____
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$ _____
6	Other	\$ _____
7	Other Plan Assets (Specify	\$ _____
8	Unrecognized Transition Obligation	\$ _____
9	Unrecognized Prior Service Costs	\$ _____
10	Unrecognized Gains or (Losses)	\$ _____
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$ _____
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$ _____
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	_____
14	Discount Rate	_____
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	_____
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	_____
17	Salary Progression Rate (if applicable)	_____
<u>NET PERIODIC OPEB COST</u>		
18	Service Cost	\$ _____
19	Interest Cost	
20	Actual Return on Plan Assets [(Gain) or Loss]	
21	Deferral of Asset Gain or (Loss)	
22	Amortization of Transition Amount	
23	Amortization of Unrecognized Prior Service Cost	
24	Amortization of (Gains) or Losses from Earlier Periods	
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	
26	Net Periodic OPEB Cost	\$ _____ 0

56B. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. Report on Line 3 items such as transfers of excess pension funds from the company's pension trust fund to an account set up under Section 401 (h) of the Internal Revenue
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 89.

Line No.	Item (a)	Total Company (b)
EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS		
1	Fair Value of Plan Assets at Beginning of Period	
	Contributions to the Fund:	
2	Deposits of Company Funds	
3	Transfers from Pension Related Funds	
4	Other *	
5	Income or (Loss) Earned on Fund Assets	
6	Capital Appreciation or (Depreciation) of Fund Assets	
7	Cost Benefits Paid from the Fund To or For Plan Participants	
8	Other Expenses Paid By the Fund **	
9	Fair Value of Plan Assets at End of the Period	\$0

* Specify the source of any amount reported on Line 4.

** Specify the type and amount of any expenses reported on Line 8.

56C. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)

1. The data requested on Lines 1 through 12 are for the internal reserve, the establishment of which is required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions" (Case 91-M-0890, issued and effective September 7, 1993). The amounts reported below are to be consistent with the definitions and intent contained in that Statement.
2. The "rate allowance" to be reported on Line 2 is the amount which was projected to be charged to expense accounts (i.e., not charged to construction, depreciation, nor the rate base allowance related to capitalized OPEB costs) in the company's latest rate proceeding, adjusted to actual Kwh (etc.) sales as per the above Policy Statement.
3. The amount reported on Line 9 less the amount on Line 10 should total the amount reported on Line 5 of Page 89.
4. In certain instances, a portion of the OPEB internal reserve may not be subject to the accrual of interest (e.g., in the company's last rate case, a portion of the reserve may have been used as a rate base reduction). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
5. The Commission's September 7, 1993 Policy Statement on pensions and OPEB stated that, except under certain circumstances, the difference between 1) the rate allowance for OPEB expense, plus any pension related or other funds or credits the company is directed to use for OPEB purposes, and 2) OPEB expense determined as required therein, are to be deferred for future recovery. Report on Lines 13 through 17 the amounts relating to this requirement.

Line No.	Item (a)	New York State Jurisdiction (b)
	OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE	
1	Balance in Internal Reserve at Beginning of the Period - [(Debit) / Credit]	
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	
3	Amount of OPEB costs actually charged to Construction	
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	
5	Interest Accrued on Fund Balance	
6	Cost Benefits Paid to or for Plan Participants	
7	Amount Transferred to an External OPEB Dedicated Fund	
8	Other Debits or Credits to the Internal Reserve *	
9	Balance in Internal Reserve at End of the Period	
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	
11	Interest Rate Applied to Internal Reserve Balances	
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	
	ACCUMULATED DEFERRED OPEB EXPENSE	
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	
14	Deferral Applicable to Current Year Variation	
15	Amortization of Previous Deferrals	
16	Accumulated Deferred Balance at End of Period	
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	
	* Briefly explain any amounts reported on Line 8.	

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**59. GENERAL SERVICES AND LICENSES,
ADVISORY, MANAGEMENT, ENGINEERING, OR PURCHASING SERVICES**

1. Respondents shall report all services rendered by or provided to affiliated and nonaffiliated companies under a license agreement, a general service contract, or other arrangement for furnishing of general accounting, advisory, engineering, financial, legal, patent, purchasing or other general services of a continuous nature.
2. Report the valuation method used; tariffed rate or cost.
3. Aggregate all Other Company items under \$100,000 for Class A and \$25,000 for Class B Telecommunications Companies.

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)	
1	Affiliates:					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	Total Affiliates				0	
22	Other Companies:					
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41		Aggregate of All Other Items				
42		Total Other Companies				0
43	Total General Services and Licenses				0	

60. LIFELINE TELEPHONE SERVICES

1. Show separately, by month, the amount of customers for each Lifeline service.
2. The total shown in column (d) is the total customers receiving Lifeline services, column (a)+(b)+(c).

	Number of Customers				
	Flat Rate (a)	Basic Message Rate (b)	Locality Waivers (c)	Total Lifeline (d)	Link-Up Customers (e)
January	69			69	
February	68			68	
March	74			74	
April	74			74	
May	82			82	
June	84			84	
July	86			86	
August	85			85	
September	85			85	
October	84			84	
November	82			82	
December	86			86	

61. ACCESS LINES IN SERVICE

1. Access lines are any and all facilities appearing at a customer's premises for which an access line charge is made as provided for in company tariffs.
2. Multi-line business access lines shall include all access lines provided to businesses with two or more lines on the same premises (i.e., two line service, key telephone system services, PBX system services).
3. Public access lines shall include all access lines provided to serve public coin telephones, semi-public coin telephones, customer owned coin operated telephones (COCOTS) and credit card telephones.
4. Private Line Circuits are telephone facilities furnished under contracts providing exclusive service, i.e., service not requiring central office switching operations.

Line No.	Division of Territory (a)	Number of Access Lines			
		At Beginning of the Year (b)	During the Year		At End of the Year (e)
			Added (c)	Discontinued (d)	
1	Holland Patent	1,793	60	216	1,637
2	Westerville	534	14	56	492
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10		2,327	74	272	2,129

NUMBER AT END OF THE YEAR

Line No.	Access Lines Classified by Type						Mobile Access Lines (l)	Private Circuits (Instr. 4) (m)
	Business		Public	Residential				
	Single Line (f)	Multi-Line (Instr. 2) (g)	(Instr. 3) (h)	One Party (i)	Two Party (j)	Four or More Parties (k)		
1	31	384	4	1,218				
2	11	43	2	436				
3								
4								
5								
6								
7								
8								
9								
10	42	427	6	1,654	0	0	0	

62. TELEPHONE CALLS

1. Show the particulars called for concerning telephone calls originating from respondent's stations in each of the general divisions of territory in which telephone service is given by the respondent within the State of New York. Divisions of territory lying wholly outside the State of New York may be grouped under one heading.
2. The numbers shown in column (c) may be based on an actual count taken periodically during the year. Describe in a note the general characteristics of the methods employed in arriving at the numbers shown.
3. As used in this schedule, a "local call" means one between two points, both of which are within the local service area of the calling telephone; and a "toll call" means one to a point outside of the local service area of the calling telephone.

NUMBER OF CALLS ORIGINATING FROM COMPANY PROVIDED SWITCHED ACCESS LINES									
Line No.	State or Territory (a)	Total Local Calls (b)	IntraLATA Intrastate Toll Calls		InterLATA Intrastate Toll Calls		InterLATA Interstate Toll Calls		Total Calls (i)
			Messages (c)	Billed Minutes (d)	Messages (e)	Billed Minutes (f)	Messages (g)	Billed Minutes (h)	
1	Holland Patent, Westernville		187,894	928,646	39,098	248,715	57,580	470,369	284,572
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10		0	187,894	928,646	39,098	248,715	57,580	470,369	284,572

63. STATISTICS RELATING TO TELEPHONE SERVICE QUALITY

1. To calculate the Average for the Year for column (b) below, add together each of the monthly company-wide results and divide by 12.
2. Measurement Opportunities are the total number of monthly measurements for the year taken at the appropriate entity reporting level (e.g., central office entity for Customer Trouble Report Rate; Maintenance Center for Percent Out-of-Service Over 24 Hours, etc.).
3. "Objective Level", "Weakspot Level", and "Surveillance Level Failure" are defined in the Commission's Telephone Service Standards (Section 603 of 16NYCRR). Certain smaller companies may not be required to report on all of the following service measurements. Please refer to the Service Standards before completing the following schedule.
4. For Business Office Answer, Repair Service Answer, Directory Assistance Answer, Intercept Answer, and Toll & Assistance Answer specify which of the two alternative standards the company used during the year. (See Section 603.12 (d) of 16 NYCRR.)

Line No.	Service Measurement (a)	TOTAL COMPANY SERVICE QUALITY DATA						Number of Surveillance Level Failures (h)
		Average for the Year (b)	Cumulative Annual Total (c)	Measurement Opportunities		Measurement Opportunities		
				At Objective Level Number (d)	At Objective Level Percent (e)	At Weakspot Level Number (f)	At Weakspot Level Percent (g)	
1	Customer Trouble Report Rate Per 100 Access Lines	0.7357	1.95					
2	Percent Missed Repair Appointments							
3	Percent Out-of-Service Over 24 Hours							
4	Percent Regular Orders Installed Within 5 Days							
5	Percent Installation Appointments Not Met							
6	Business Office Answer (Standard: _____)							
7	Repair Service Answer (Standard: _____)							
8	Directory Assistance Answer (Standard: _____)							
9	Intercept Answer (Standard: _____)							
10	Toll and Assistance Answer (Standard: _____)							
11	Dial Tone Speed							
12	Blockages and Failures							
13	Orders for Regrades Held Over 30 Days							
14	TOTAL		1.95	0		0		0
15	Number of Customer Complaints to the Public Service Commission During the Year <u>0</u> .							

64. PLANT EXTENSIONS TO SERVE NEW RESIDENTIAL SUBDIVISIONS

Report on telephone facilities constructed during the year to serve new residential subdivisions pursuant to 16 NYCRR Part 604.

Line No.	Underground Plant Constructed Within Subdivisions (a)	Amount (b)
A. Direct Buried (Plowed) Lines		
1	Total Length	<u>0</u> ft.
2	Cost of Plowing Only	<u>\$0.00</u>
3	Average Cost of Plowing Only	<u> </u> /ft.
B. Sole Occupancy Trenched Lines		
4	Total Length	<u>0</u> ft.
5	Cost of Trenching Only	<u>\$0.00</u>
6	Average Cost of Trenching Only	<u> </u> /ft.
C. Shared Occupancy Trenched Lines		
7	Total Length	<u>0</u> ft.
8	Cost of Trenching (telephone portion) Only	<u>\$0.00</u>
9	Average Cost of Trenching (telephone portion) Only	<u> </u> /ft.

II. Plant Constructed To Connect Subdivisions To The Existing Telephone Distribution System

A. Facilities Placed Underground		
10	Total Length	<u>0</u> ft.
11	Total Cost	<u>0</u>
12	Average Total Cost	<u> </u> /ft.
B. Facilities Placed Overhead		
13	Total Length	<u>0</u> ft.
14	Total Cost	<u>0</u>
15	Average Total Cost	<u> </u> /ft.

65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$668,262
2	Telecommunications Plant In Service	
3	Telecommunications Plant Under Construction	34,065
4	Accumulated Depreciation	308
	Other (specify):	
5	Inventory	132
6	Payroll Billed to Affiliates	1,682,462
7	General Journal Entries	(2180.00)
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$2,383,049
65A. NUMBER OF EMPLOYEES		
21	Officials and Managerial Assistants	2
22	Professional and Semiprofessional Employees	2
23	Business Office and Sales Employees	3
24	Clerical Employees	
25	Operators	
26	Construction, Installation and Maintenance Employees	
27	Central Office Crafts Employees	1
28	Installation and Exchange Repair Crafts Employees	1
29	Line, cable and conduit crafts employees	3
30	Building, Supplies and Motor Vehicle employees:	
31	All Other Employees Not Elsewhere Classified	
32	Total Employees	12

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STATE OF NEW YORK
Public Service Commission
5 Year Book Data
Oneida County Rural Telephone Company
For the period ending December 31, 2011

Annual Report of Oneida County Rural Telephone Company For the period ending December 31,

COMPARATIVE BALANCE SHEET

	Annual Report Source Sch 11, Pg 16 (C)	
CURRENT ASSETS		
1 Cash and Temporary Cash Investments	L1-4	\$538,817
2 Accounts Receivable (Net)	L(5,7,8) - L(6,9)	1645142
3 Current Deferred Income Taxes	L21	0
4 Other Current Assets	(Formula)	471374
5 Total Current Assets	L22	2655333
NON-CURRENT ASSETS		
6 Investments	L23-26	5623624
7 Unamortized Debt Issuance Costs	L27	0
8 Deferred Charges	L30-31	0
9 Other Jurisdictional Assets - Net	L32	
10 Non-Current Deferred Income Taxes	L33	682379
11 Other Non-Current Assets	(Formula)	3237147
12 Total Non-Current Assets	L 34	9543150
REGULATED PLANT		
13 Total Telecommunications Plant	L42	13823094
14 Less: Accumulated Depreciation and Amort.	L43-44	9696016
15 Net Regulated Plant	(Formula)	4127078
16 Total Assets & Other Debits	(Formula)	16325561

CURRENT LIABILITIES		Source	
		Sch 11, Pg 17 (C)	
17	Accounts Payable	L1-2	173797
18	Notes Payable	L3-4	0
19	Advanced Billings	L5	90320
20	Customer Deposits	L6	750
21	Current Maturities - Long-Term Debt	L7-8	0
22	Current Deferred Income Taxes	L11-12	0
23	Other Current Liabilities	(Formula)	1700344
24	Total Current Liabilities	L15	1965211
LONG-TERM DEBT			
25	Long-Term Debt	L23	3348800
OTHER LIAB. & DEFERRED CREDITS			
26	Unamortized ITC	L25-26	0
27	Non-Current Deferred Taxes	L27-28	994080
28	Other Deferred Credits	L29	259110
29	Other Jurisdictional Differences - Net	L30	
30	Other Liabilities	(Formula)	98000
31	Total Other Liab. and Def. Credits	L31	1351190
STOCKHOLDER'S EQUITY			
32	Common Stock	L32	85100
33	Preferred Stock	L33	33150
34	Other Paid in Capital	L34-36	-2369939
35	Retained Earnings	Formula	11912049
36	Total Stockholder's Equity	L40	9660360
37	Total Liab. and Stockholder's Equity	(Formula)	\$16,325,561

INCOME STATEMENT

OPERATING REVENUES		Source	
		Sch 42, Pg 65 (b)	
1	Local Network Services	L10	\$744,043
2	Network Access Services	L15	1,382,711
3	Long Distance Network Services	L29	242,372
4	Miscellaneous Revenues	L41	466,594
5	Less: Uncollectible Revenues	L44	15,643
6	Total Operating Revenues	(Formula)	2,820,077
OPERATING EXPENSES		Sch 44, Pg 67 (F)	
7	Network Support Expenses	L14	4,477
8	General Support Expenses	L19	131,294
9	Central Office Switching	L23	133,790
10	Operator Systems Expense	L24	0
11	Central Office Transmission	L27	209,235
12	Info. Origination/Termination	L33	11,052
13	Cable & Wire Facilities	L43	330,281
14	Total Plant Specific Operations	(Formula)	820,129
		Sch 44, Pg 69 (F)	
15	Other Plant, Property & Equipment	L49	0
16	Network Operations	L59	221,989
17	Access Expense	L60	49,237
18	Depreciation and Amortization	L66	555,350
19	Total Plant Non-Specific Operations	(Formula)	826,576
		Sch 44, Pg 71 (F)	
20	Marketing Expense	L71	9,262
21	Services Expense	L78	204,155
22	Total Customer Operations	(Formula)	213,417
		Sch 44, Pg 73 (F)	
23	Executive & Planning	L82	186,586
24	General & Administrative	L91	490,765
25	Provision - Uncollectible Notes Rec.	Less L92	0
26	Other		
27	Total Corporate Operations	(Formula)	677,351
28	Total Operations Expense	(Formula)	2,537,473
		Sch 12, Pg 20 (C)	
29	Other Operating Income & Expenses	L9	0
30	State & Local Income Taxes	L12	0
31	Other Taxes	L13	210,129
32	Net Operating Income Before FIT	(Formula)	72,475
33	Investment Tax Credits - Net	L10	0
34	Federal Income Taxes	L11	5,144
35	Provision - Def. Operating Income Taxes - Net	L14	(7,687)
36	Net Operating Income	(Formula)	\$75,018

INCOME STATEMENT

	Source	
1 Net Operating Income	From Above	\$75,018
NON-OPERATING INCOME & EXPENSES		Sch 12, Pg 20 (C)
2 Dividend Income	L17	67,769
3 Interest Income	L18	158,078
4 Income - Sinking and Other Funds	L19	0
5 Allowance for Funds Used During Construction	L20	0
6 Gains/Losses - Disposal of Property	L21	0
7 Equity in Earnings of Affiliated Companies	L22	115,652
8 Other Non-Operating Income	L23	(57,184)
9 Special Charges	L24	(23,016)
10 Total Non-Operating Income & Expenses	(Formula)	307,331
NON-OPERATING TAXES		Sch 12, Pg 20 (C)
11 Federal Income Taxes	L26+L27+L30	1,696
12 Other	L28+L29	0
13 Total Non-Operating Taxes	(Formula)	1,696
14 Income Available Before Interest Charges	(Formula)	380,653
INTEREST CHARGES		
15 Interest on Funded Debt	L34	169,334
16 Other Interest Expense	(Formula)	284
17 Total Interest Charges	L38	169,618
18 Income Before Extraordinary & Nonregulated Items	(Formula)	211,035
Extraordinary & Nonregulated Items		Sch 12, Pg 21 (C)
19 Extraordinary Items	L44	0
20 Nonregulated Revenues	L46	0
21 Total Extraordinary & Nonregulated Items	(Formula)	0
22 Net Income	(Formula)	\$211,035

RETAINED EARNINGS STATEMENT		Sch 12, Pg 21 (C)
Unappropriated Retained Earnings:		
23 Beginning Year Balance	L49	\$9,241,349
24 Transferred from Income	L50	95,383
25 Appropriations	L51	0
Dividends Declared:		
26 Preferred Stock	L52	1,989
27 Common Stock	L53	1,797
28 Adjustments	L54	0
29 Ending Year Balance	(Formula)	9,332,946
30 Appropriated/Undistributed Affiliated Retained Earnings	L57+L60-L61+L62)	2,579,103
31 Total Retained Earnings	(Formula)	\$11,912,049

CASH FLOW STATEMENT

	Source	
Cash Flows from Operating Activities		
1 Net Income	Formula	\$211,035
Non-Cash Items Included in Net Income		
2 Depreciation, Depletion & Amortization	L2+L3	578,687
3 Changes in Accumulated Deferred Income Taxes	L4	(1,399)
4 Changes in Working Capital	L6+L7+L8+L10+L11	(92,645)
5 Capitalized AFDC - Equity	L5	0
6 Other	(Formula)	(165,517)
7 Total Non-Cash Items	L17	319,126
8 Net Cash Provided by (Used In) Operating Activities	(Formula)	530,161
Cash Flows from Investing Activities		
9 Cash Flows from Construction	L28	(356,000)
10 Purchase of Other Investments	L29+L30+L31+L32	(1,967,155)
11 Sale of Other Investments	L33+L34+L35+L36	1,660,086
12 Other	L37+L38+L39	0
13 Net Cash Provided by (Used In) Investing Activities	(Formula)	(663,069)
Cash Flows from Financing Activities		
Net Proceeds (Payments)		
14 Long-Term Debt	L43+L49	(338,593)
15 Common Stock	L41+L47	0
16 Preferred Stock	L42+L48	(200)
17 Short-Term Debt	L44	0
18 Dividends Paid	L50+L51	(3,786)
19 Other Financing	(Formula)	0
20 Net Cash Provided by (Used In) Financing	L59	(342,579)
21 Net Increase (Decrease) in Cash & Equivalents	(Formula)	(475,487)
22 Cash & Equivalents at Beginning of Year	L61	1,014,304
23 Cash & Equivalents at End of Year	(Formula)	\$538,817

DISTRIBUTION OF TELEPHONE REVENUES

1	Revenues	Source Formula Sch 61	\$2,820,077
2	Access Lines	Pg 96, L10 (e)	2129

DOLLAR AMOUNTS

3	Wages and Benefits	Sch 44 Pg 71, L94 (b) (c)	\$851,740
4	Depreciation and Amortization	(Formula)	555350
5	Other Operations Expense	(Formula)	1130383
6	Total Operation Expenses	(Formula)	2537473
7	Income Taxes - Operating Taxes	(Formula)	-2543
8	Other Taxes - Operating Taxes	(Formula)	210129
9	Capital Costs	(Formula)	75018
10	Total	(Formula)	\$2,820,077

PERCENT OF REVENUES

11	Wages and Benefits	(Formula)	30.2
12	Depreciation and Amortization	(Formula)	19.7
13	Other Operations Expense	(Formula)	40.1
14	Income Taxes - Operating Taxes	(Formula)	(0.1)
15	Other Taxes - Operating Taxes	(Formula)	7.5
16	Capital Costs	(Formula)	2.7
17	Total	(Formula)	100.0

DOLLARS PER ACCESS LINE

18	Wages and Benefits	(Formula)	400.07
19	Depreciation and Amortization	(Formula)	260.85
20	Other Operations Expense	(Formula)	530.95
21	Income Taxes - Operating Taxes	(Formula)	(1.19)
22	Other Taxes - Operating Taxes	(Formula)	98.70
23	Capital Costs	(Formula)	35.24
24	Total	(Formula)	1,324.60

TELECOMMUNICATIONS PLANT AND SELECTED RATIOS

		Source
		Sch 14, Pg 24, 25
Plant In Service		
1 General Support Assets	L13	\$3,576,600
2 Central Office Assets	L25	4,696,324
3 Information Origination/Termination	L31	12,466
4 Cable And Wire Facilities	L41	5,494,153
5 Amortizable Assets	L45	43,125
6 Total Plant In Service	(Formula)	13,822,668
7 Property Held For Future Use	L47	0
Plant Under Construction -		
8 Short & Long Term	L48,49	426
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition	L51	0
11 Other Plant	L52	0
12 Nonoperating Plant	L53	0
13 Goodwill	L54	0
14 Total Telecommunications Plant	(Formula)	13,823,094
15 Less Acc. Prov. For Depreciation & Amort.	(Formula)	9,696,016
16 Net Total Utility Plant	(Formula)	\$4,127,078

SELECTED RATIOS AND STATISTICS

17	Current Assets / Current Liabilities	(Formula)	1.35
18	Total Capitalization	(Formula)	\$13,009,160
	<u>Percent Of Capitalization (Incl. S-T- Debt)</u>		
19	Long-Term Debt	(Formula)	25.7%
20	Preferred Stock	(Formula)	0.3%
21	Common Stock & Retained Earnings	(Formula)	74.0%
22	Short-Term Debt	(Formula)	0.0%
23	Pretax Coverage of Interest Expense	(Formula)	2.24
24	Com. Stock Dividends as a % of Earnings	(Formula)	0.9%
25	Return on Common Equity	(Formula)	2.2%
	Internal Cash Generated as a % of		
26	Cash Outflows for Construction	(Formula)	148.9%
27	CWIP as a % of Plant	(Formula)	0.0%
	Number of Employees	(Formula)	12
		Source	
	Current Assets	(Formula)	2655333
	Current Liabilities	(Formula)	1965211
	Total Capitalization	(Formula)	13009160
	Long-Term Debt	(Formula)	3348800
	Preferred Stock	(Formula)	33150
	Common Stock and Retained Earnings (Excl. Preferred Stock)	(Formula)	9627210
	Short-Term Debt	(Formula)	0
	Pretax Income	See Below	379806
	Interest Expense	(Formula)	169618
	Common Dividends Paid	(Formula)	1797
	Net Income	See Below	209046
	(Excl. Preferred Stock Dividends)		
	Internal Cash	(Formula)	530161
	Cash Outflows for Construction	(Formula)	-356000
	CWIP	(Formula)	426
	Total Plant	(Formula)	13823094
	Shares Outstanding	Pg. 63, Ln 9 (c)	1702
	Number of Employees	Pg. 100, Ln 32	12
	<u>Additional Calculations</u>		
	Data used for "Pretax Income":		
		NOI Before FIT	72475
		Non-Oper. Inc. & Exp.	307331
		Non-Oper. Tax - Other	0
		Total	\$379,806
	Data used for "Net Income":		
		Net Income	211035
		Pref. Dividends	1989
		Total	209046