an advanced fiber network for entertainment & productivity at the speed of light

<del>l</del>#ghtspeed

#### **OUR PEOPLE DELIVER**

These are the people who bring the technology to your home. They're the feet on the ground, the working hands and friendly faces that connect you to the world. We're proud of our people and the excellent service they provide to our customers.

In fact more than 90% of our customers surveyed are satisfied or very satisfied with the result of their installation or repair visit. We work every day to earn your loyalty by bringing you the best technology for the best value.

We were one of the first fiber optic communities in Kentucky, serving Russell, Adair and Cumberland counties.

Duo County has now installed nearly 700 miles of fiber optic cable in our service area, and with our continued network expansion, it's coming to more neighborhoods and businesses.

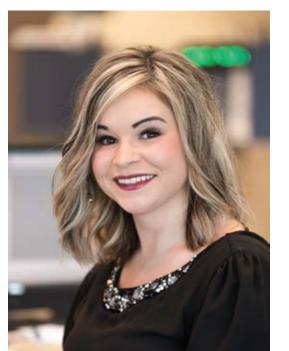




## **ON-TIME SERVICE**

Duo County has a same-day policy on addressing technical problems and issues as well as new service installations within two business days. We work hard to meet that standard. That cannot be said for most national providers.





### YOU SPEAK – WE LISTEN

You asked for faster Internet speeds and better value. Based directly on your feedback we delivered increased broadband speeds to our Internet customers within our fiber optic network at no additional charge!

And we continue to improve our network to bring faster Internet speeds to customers throughout our entire network.

25 MEG 75 MEG

12!

1 GIG

# WE BRING IT FOR BUSINESS

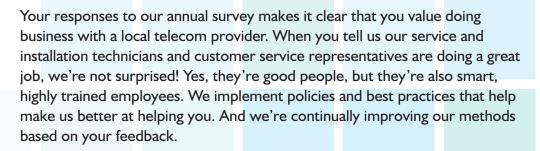
The advanced technology we deliver to your homes serves our local business community as well. Home-grown business partners like Superior Battery, Stephens Pipe & Steel and industrial customers like Dr. Schneider Automotive, benefit from an advanced fiber network that provides the connectivity essential for the success of large and small business today.



#### YOU'RE HELPING US BRING IT HOME

I'm a big believer in the powerful impact we can have in our community simply by being good neighbors. This notion is one of the reasons I love my job. I'm proud of the service Duo County Telecom provides to our community, and I'm especially proud of the people who literally bring this technology to your door.

Not only is the service we provide among the most advanced in the state and the nation, it's something we did for ourselves as a community. The advanced fiber technology available to our customers is a result of great foresight and planning that began more than 20 years ago and was implemented with tremendous engineering know-how. Our people take personal pride in bringing these services to your home.



As we look ahead with plans to continue to lay groundwork for your future technology needs and expand further to outlying areas we hope you will continue to share in the cooperative spirit. Tell us what you like and how we can be better, and we will continue to listen and serve our community.

**Thomas E. Preston** Chief Executive Officer











**Duo County Telecom** Cons

Consolidated BALANCE SHEET December 31, 2017	
ASSETS Current Assets:	
Cash & Temporary Cash Investments Accounts Receivable, Less Allowance for	\$18,093,975
Doubtful Accounts	2,060,996
Materials and Supplies	3,291,344
Accrued Interest Receivable	189,730
Prepaid Expenses	634,787
Total Current Assets	\$24,270,832
Other Assets:	
Long-Term Investments	\$27,416,108
Nonregulated Investments	208,557
Investment in Affiliated Companies:	62,218,964
Total Other Assets	\$89,843,629
Telecommunications Plant:	
Telecommunications Plant in Service	\$113,915,661
Telecommunications Plant Under Construction	9,870,057
Non-Operating Plant	52,008
Total Telecommunications Plant	\$123,837,726
Less Accumulated Depreciation	(77,091,853)
Telecommunications Plant Net	46,745,873
TOTAL ASSETS	\$160,860,334
LIABILITIES & MEMBERS' EOLIITIES	

LIABILITIES & MEMBERS' EQUITIES Current Liabilities:

Deferred Income Taxes-Noncurrent

Current Portion of Long-Term Debt \$100,106 Accounts Payable 1,398,957 8,000 **Customer Deposits** 2,393,058 Accrued Expenses Total Current Liabilities \$3,900,121

\$8.911.278 Total Long-Term Liabilities Other Liabilities and Deferred Credits \$1.017.449

Members' Equities: Patronage Capital \$54,876,450 91,477,014 Other Equities Acc. Other Comprehensive Income (Loss) (1,026,524)1,704,546 Other Member Capital

Total Members' Equities \$147,031,486 TOTAL LIABILITIES/MEMBERS' EQUITIES \$160,860,334 **Duo County Telecom** Consolidated STATEMENT OF INCOME For Year Ended December 31, 2017

Operating Revenues: \$9,554,186 Local Network Services 10,643,039 Network Access Services 27,692 Carrier Billing and Collection 1,884,656 Miscellaneous Operating Revenue Uncollectible Revenue (159,792)**Total Operating Revenues** \$21,949,781 Operating Expenses: \$9,361,805 Plant Specific Operations 2,187,231 Plant Nonspecific Operations Depreciation and Amortization 6,916,050 1,322,283 **Customer Operations** 2,643,035 Corporate Operations **Total Operating Expenses** \$22,430,404 \$1,533,099 Nonregulated Income Operating Income \$1.052.476 \$10,031,836 Non-Operating Income Provision for Income Taxes (3,363,899)Non-Operating Income Net of Taxes 6,667,937 \$7,720,413 Income Before Interest Interest on Long-Term Debt to RUS Net of Interest Capitalized \$19,839.58



DuoCounty.com

Net Income

270-343-3131 Russell 270-378-4141 Cumberland 270-433-2121

# **BOARD OF DIRECTORS**

Bill Norris **Cumberland County** President

Jerry D. Roy

Russell Springs

Vice President

Sharon Hill amestown Secretary

Joseph Sparks

Adair County

Member

Terry Grider lamestown Member

\$8,911,278

Douglas Butler Cumberland County Member

Howard Kent Randy Hart Russell Springs Cooper Member Legal Counsel

Thomas E. Preston, Chief Executive Officer

\$7,720,413

# Lightspeed

# bringing technology home

2018 DUO COUNTY TELECOM **COMMUNITY REPORT** 







