



Thomas E. Preston
Duo County Chief Executive Officer

Learning. That's my favorite way to Duo.

There are so many ways in which Duo County's telecommunications services can be beneficial in everyday life. But for me, learning is the most important — and the most fun.

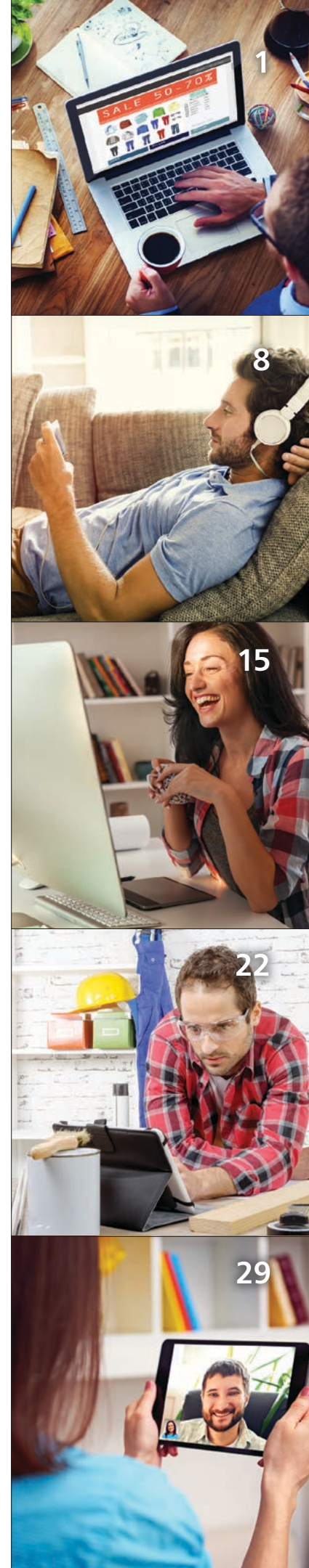
There are so many learning tools at your fingertips. With a tablet, smartphone or computer and a high-speed Internet connection, you can watch a tutorial on just about any school subject, solve many home maintenance problems on your own, listen to podcasts and audio books, and even teach yourself a new hobby. The amount of information available is astounding.

At Duo County, we remain committed to learning how we can better prepare for the future by studying consumer behavior and having conversations about how we can improve. We ask questions like the one posed in this annual report: What's your favorite way to Duo? We listen. And we learn what services we can enhance, what isn't working and what new services we should introduce.

It was through these conversations and years of strategic planning that Duo County decided to build a fiber optic network for our service area. Today, with expanded local calling and the availability of Internet speeds that soar to 1 gigabit, the possibilities are endless for how you communicate at home and in your place of business. Duo County is proud to serve as the catalyst for more effective and efficient communication and operation.

So as you read this annual report, please consider the question we are posing to you: What's your favorite way to Duo? Is it watching your favorite shows online? Chatting with friends and family thousands of miles away? Growing your business with the use of reliable, high-speed Internet? Keeping your home safe with a landline for emergency calls and a wireless security system? What would you like to see more of in the future?

Then, let us know. We hope you continue to enjoy what you love most about your Duo County services.



Duo County annual meeting

Russell County High School gymnasium

June 6, 2017

7 PM CDT

Update on Duo County's progress and plans

Annual Financial Statement

Duo County Telecom
Consolidated **BALANCE SHEET**
December 31, 2016

ASSETS	
Current Assets:	
Cash & Temporary Cash Investments	\$19,969,772
Accounts Receivable, Less Allowance for Doubtful Accounts	1,148,872
Materials and Supplies	2,221,658
Accrued Interest Receivable	207,771
Prepaid Expenses	595,744
Total Current Assets	\$24,143,817

Other Assets:	
Long-Term Investments	\$25,592,141
Nonregulated Investments	249,333
Investment in Affiliated Companies:	58,850,927
Total Other Assets	\$84,692,401

Telecommunications Plant:	
Telecommunications Plant in Service	\$108,662,952
Telecommunications Plant Under Construction	10,103,293
Non-Operating Plant	52,008
Total Telecommunications Plant	\$118,818,253

Less Accumulated Depreciation	(71,257,474)
Telecommunications Plant Net	47,560,779

TOTAL ASSETS **\$156,396,997**

LIABILITIES & MEMBERS' EQUITIES	
Current Liabilities:	
Current Portion of Long-Term Debt	\$94,645
Accounts Payable	1,740,338
Customer Deposits	9,500
Accrued Expenses	2,559,601
Total Current Liabilities	\$4,404,084

Deferred Income Taxes-Noncurrent \$11,420,834

Total Long-Term Liabilities \$11,420,834

Other Liabilities and Deferred Credits \$261,063

Members' Equities:	
Patronage Capital	\$56,150,626
Other Equities	83,270,412
Acc. Other Comprehensive Income (Loss)	(682,178)
Other Member Capital	1,572,156
Total Members' Equities	\$140,311,016

TOTAL LIABILITIES/MEMBERS' EQUITIES **\$156,396,997**

Duo County Telecom
Consolidated **STATEMENT OF INCOME**
For Year Ended December 31, 2016

Operating Revenues:	
Local Network Services	\$9,533,901
Network Access Services	10,926,735
Carrier Billing and Collection	53,683
Miscellaneous Operating Revenue	1,846,056
Uncollectible Revenue	(122,595)
Total Operating Revenues	\$22,237,780

Operating Expenses:	
Plant Specific Operations	\$9,376,981
Plant Nonspecific Operations	2,124,337
Depreciation and Amortization	6,603,650
Customer Operations	1,329,379
Corporate Operations	2,560,102
Total Operating Expenses	\$21,994,449

Nonregulated Income \$446,123

Operating Income \$689,454

Non-Operating Income \$14,538,283
Provision for Income Taxes (5,013,889)
Non-Operating Income Net of Taxes 9,524,394

Income Before Interest \$10,213,848

Interest on Long-Term Debt to RUS Net of Interest Capitalized \$83,747 (0)

NET INCOME **\$10,213,848**

Board of Directors

Bill Norris
Cumberland County
President

Jerry D. Roy
Russell Springs
Vice President

Sharon Hill
Jamestown
Secretary

Joseph Sparks
Adair County
Member

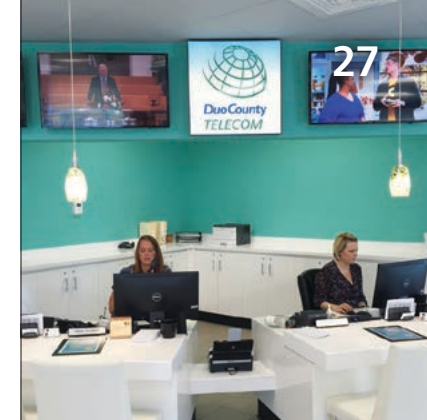
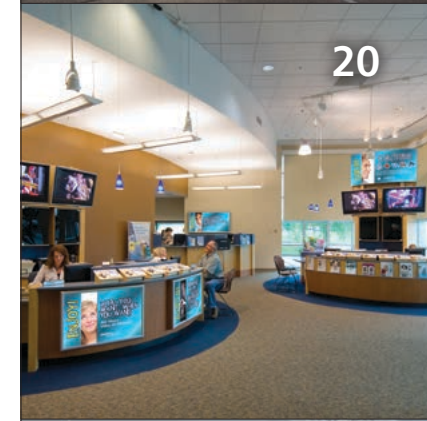
Thomas E. Preston, Chief Executive Officer

Terry Grider
Jamestown
Member

Randy Hart
Russell Springs
Member

Douglas Butler
Cumberland County
Member

Howard Kent Cooper
Legal Counsel



To do

- Upload photos
- Rent VOD movies
- Grocery
- Check homework
- Family night!

<	June 2017							>
S	M	T	W	T	F	S		
28	29	30	31	1	2	3		
4	5	6	7	8	9	10		
11	12	13	14	15	16	17		
18	19	20	21	22	23	24		
25	26	27	28	29	30	1		

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What's your favorite way to Duo?

2017 COMMUNITY REPORT



June 2017

- Family
- Home
- Work



	29		1	2	3
	Girls night 7 PM		Baseball practice 6 PM	Report due Baseball practice 6 PM	



5	6	7	9	10
Family vacation (set alarm)				Movie night
Family vacation (set alarm) June 5-9, 2017 Keep your home secure when traveling with Duo's high-speed Internet and WiFi, utilizing apps that allow you to monitor your home by security cameras remotely and offer motion alerts and play-back recordings.			Movie night June 10, 2017 Rent movies on Duo VOD Duo County Digital TV customers have a huge collection of movies, sports and special events at their fingertips. Only Duo County Telecom has TRUE Video on Demand, with the ability to search hundreds of choices with your remote. You'll find a great selection of movies and popular television shows you can watch whenever you want.	



13	14	15	16	17
	Baseball practice 6 PM			Ellen's birthday party

Put Duo County's services to work for you.



18	19	20	24
Baseball game 5:30 PM Chat with grans 8 PM		Jason math test	
		Jason math test June 21, 2017 Whether watching tutorials or playing reading and math games to sharpen skills, students and parents can utilize Duo's high-speed Internet services to help learn at home.	



INTERNET DIGITAL TV MOBILE TELEPHONE

What's your favorite way to Duo?

Busy schedules and growing technological demands make high-speed Internet an integral part of everyday life for families. With Duo County's fiber network, landline, Digital TV and wireless services, you have everything you need to organize, accomplish and entertain. And you can do it all simultaneously — no interruptions in service while streaming videos, gaming, doing homework or protecting your home by wireless security system. From online shopping to creating lists, sharing on social media and uploading photos or videos to cloud services, and even working from home when the occasion arises, there are so many ways to stay organized and connected so you can enjoy the finest moments in life.

Find your speed

12 megabytes
Online news, e-mail, shopping, social media, TV and movie streaming, music downloads, online gaming

50 megabytes
Streaming on multiple devices, video chat

100 megabytes
Large file uploads, rich gaming and streaming

1 gigabit
Up to 5 simultaneous HD signals into the home, improved Digital TV and phone services