



**HAVING EXCELLENT COMMUNICATION TECHNOLOGY** is extremely important for Premier Integrity Solutions, as the business relies on e-mail to notify customers of drug testing results. Duo County's

Lightspeed fiber optic service also enabled Premier to design its own phone system to handle the 10,000 daily calls from drug court participants checking to see if they will be tested that day.

**HAVING MANY ENTERTAINMENT OPTIONS**, like a home theater that utilizes Duo Internet and digital TV, brings the Walters family together. "It makes me feel good to know [the kids] can bring their friends here, that they have a place to come and watch movies. As a parent, that makes you feel a lot better that they want to be here," Lynn Walters said.



**A GOOD DATA CONNECTION** is the Bank of Columbia's lifeline. The bank upgraded to Duo County's Lightspeed fiber optic service about a year ago to improve efficiency and speed. "It has always amazed me since they first put it in that one wire coming into



the bank replaces all these copper wires," Chris Quinn said. By being able to connect directly to its data processing company in Georgia, Bank of Columbia's tellers (above) are able to conduct immediate transactions for customers.

"At Duo County, it's all local people. Anytime we have any issues, they're taken care of that day.

*It's a definite benefit of doing business with a local hometown telephone company."*

— BRIAN WALTERS —

**IT STARTED 13 YEARS AGO** as a one-room drug-testing business with a single client. Now, with more than 5,000 clients, Premier Integrity Solutions in Russell Springs is one of the fastest-growing private companies in the U.S. Excellent communication services play an important role at work and at home for CEO Brian Walters and family. While Duo's fiber broadband expedites drug testing results at Premier, it also helped the Walters' daughter, Peyton, apply for colleges online from the comfort of home.



**BEING CONNECTED IS AN IMPORTANT PART OF LIFE** for the Quinns, at work and at home. As CEO of the Bank of Columbia, Chris relies on Duo's fiber optic service to provide a fast, reliable banking experience for customers. At home, it's all about being together. Whether enjoying their favorite shows on DVR, relaxing on the couch reading and playing games on an iPad or watching an On Demand movie, Duo's services help provide quality family time for the Quinns.

"I think it's very important to do business locally. We feel like we're helping each other.

*That goes hand-in-hand in building our community into what it is today."*

— CHRIS QUINN —



# [the walters'] duo

**MEET THE WALTERS FAMILY:** Danielle, Peyton, Brian, Lynn and Ben



**THE QUINNS' SMARTHOME FEATURES** a number of Internet-ready devices for watching TV, reading and gaming. Another important fixture is their landline phone, which they feel provides added safety and security for their children in case of emergencies.



**EVERYTHING WORKS** with one Internet connection at home for the Quinn and Walters families. They use a variety of devices, including TVs, iPads, netbooks, Kindles and Android phones.



# [the quinns'] duo

**MEET THE QUINN FAMILY:** Lilly, Ellen, Evan and Chris



**WATCH THESE MY DUO STORIES** and more on our website, [www.duocounty.com/myduo](http://www.duocounty.com/myduo), or on our YouTube channel! You can also follow us on Facebook and Twitter for the latest information.



**MEET RON TUCKER:** Also known as Ron "Records" Tucker, Ron is the Wednesday night radio personality on WJRS Radio in Russell County.



**MEET DEAN ADAMS:** Dean is the Vice President for Student Services and Enrollment Management at Lindsey Wilson College in Columbia.



**MEET CLINT VOILS:** Clint works on his family farm, Voils Farms in Russell County, which produces more than 4,000 acres of corn, soybeans and wheat.



**MEET PAT BRENDL:** Pat and her family operate Hendricks Creek Resort, offering boat and cabin rentals on Dale Hollow Lake in Cumberland County.



▶ WATCH MY DUO STORIES  
www.duocounty.com/myduo



[my] duo



**AT DUO COUNTY TELECOM,  
WE CREATE EXPERIENCES.**

Our customers have a variety of telecommunication options at their fingertips — landline telephone, wireless, digital TV and Internet services. These can stand alone, or combine in ways that revolutionize your home entertainment. How you use them is completely up to you.

We consistently stay at the forefront of technology to ensure being connected is never a problem for our customers. In 2011, we continued expansion of our fiber optic network.

As always, we have you, our customer, in mind. Last year we introduced a more user-friendly bill format, launched a newly designed website with even more customer-centered features, and made our Internet support team available 24/7/365, including holidays, for all of your questions. We also added new locally produced programs to our Duo2 access channel so that you can stay connected to what's going on in your community.

There are thousands of unique Duo experiences taking place every day, tailored to our customers' wants and needs. Whether you're calling loved ones who live across the country, streaming movies on your TV through an Internet connection, gaming on a smartphone or tablet, or watching local ballgames with Video on Demand, this is "your" Duo. We are honored to host your experience.

In this annual report to the community, we share with you the stories of two local families and how they've customized their Duo experience at work and at home. You can also watch these stories, plus four more, on our website at www.duocounty.com.

We would love to hear how you're using your Duo services and what we can do to make your experience more enjoyable. This is your local cooperative. We wouldn't be here without your continued support.

**Thomas E. Preston**  
Chief Executive Officer

**FIND YOUR DUO**  
at our Jamestown and  
Columbia customer care  
centers, or online at  
www.duocounty.com!



**CONTACT US:**  
343-3131 [Russell]  
378-4141 [Adair]  
433-2121 [Cumberland]  
duotel@duo-county.com

# annual financial statement

Duo County Telephone Cooperative  
Consolidated **BALANCE SHEET**  
December 31, 2011

**ASSETS**

Current Assets:	
Cash & Temporary Cash Investments	\$17,379,081
Accounts Receivable, Less Allowance for Doubtful Accounts	2,163,277
Materials and Supplies	2,214,257
Accrued Interest Receivable	151,684
Prepaid Expenses	227,574

**Total Current Assets \$22,135,873**

Other Assets:

Cash Investments	14,062,164
Nonregulated Investments	352,860
Investment in Affiliated Companies:	41,603,888
Wireless - \$38,629,623	
Network - \$ 3,274,265	
Deferred Charges	2,642,386

**Total Other Assets \$58,661,298**

Telephone Plant:

Telephone Plant in Service	80,499,348
Telephone Plant Under Construction	9,984,320
Non-Operating Plant	52,008

**Total Telephone Plant \$90,535,676**

Less Accumulated Depreciation 49,482,010

Telephone Plant, Net 41,053,666

**TOTAL ASSETS \$121,850,837**

**LIABILITIES & MEMBERS' EQUITIES**

Current Liabilities:

Current Portion of Long-Term Debt	3,566,000
Accounts Payable	1,659,871
Customer Deposits	15,125

Accrued Expenses 2,172,631

**Total Current Liabilities \$7,413,627**

Deferred Income Taxes-Noncurrent \$10,634,735

Long-Term Debt \$3,204,659

**Total Long-Term Liabilities \$13,839,394**

Other Liabilities and Deferred Credits \$161,084

Members' Equities:

Patronage Capital	46,726,796
Other Equities	52,614,301
Other Member Capital	1,095,635

**Total Members' Equities \$100,436,732**

**TOTAL LIABILITIES & MEMBERS' EQUITIES \$121,850,837**

Duo County Telephone Cooperative  
Consolidated **STATEMENT OF INCOME**  
For Year Ended December 31, 2011

Operating Revenues:

Local Network Services	8,302,660
Network Access Services	9,044,811
Carrier Billing and Collection	115,994
Miscellaneous Operating Revenue	1,848,639
Uncollectible Revenue	(102,287)

**Total Operating Revenues \$19,209,817**

Operating Expenses:

Plant Specific Operations	7,008,339
Plant Nonspecific Operations	1,262,573
Depreciation	5,403,784
Customer Operations	1,518,939
Corporate Operations	2,646,098
Extraordinary Items	191,305

**Total Operating Expenses \$18,031,038**

**Operating Income 1,178,779**

Non-Operating Income

Provision for Income Taxes	13,427,653
Non-Operating Income Net of Taxes	(5,361,199)
	8,066,454

Income Before Interest and Nonregulated Income 9,245,233

Interest on Long-Term Debt to RUS (444,770)

Net of Interest Capitalized \$145,851 in 2011

**Non-Regulated Income 1,121,411**

**NET INCOME \$9,921,874**

## leadership

### duo county board of directors

- |   |  |
|---|--|
| James E. Monin, MD<br>Jamestown, President          | Jerry D. Roy<br>Russell Springs, Member      |
| Bill Norris<br>Cumberland County,<br>Vice President | Randy Hart<br>Russell Springs, Member        |
| Sharon Hill<br>Jamestown, Secretary                 | Douglas Butler<br>Cumberland County, Member  |
| Joseph Sparks<br>Adair County, Member               | Howard Kent Cooper<br>Legal Counsel          |
|   | Thomas E. Preston<br>Chief Executive Officer |



## 2012 Community Report



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We are pleased to report that Duo County Telephone is returning a healthy dividend to cooperative members in 2012 and has returned **MORE THAN \$17 MILLION SINCE 1984.**