

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund	)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
)	
Lifeline and Line-Up	)	WC Docket No. 03-109
)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

APPENDIX B

AFFIDAVIT OF TIM MORISSEY

IN SUPPORT OF

**PETITION OF ALLBAND COMMUNICATIONS COOPERTIVE FOR WAIVER OF
THE PART 54.302 RULE AND FOR INCREASED PER-LINE SUPPORT**

Tim Morrissey, first being duly sworn, files this affidavit in support of Allband Communication Cooperative's (ACC) accompanying Waiver Petition of The Part 54.302 Rule.

1. My name is Timothy J. Morrissey. I am employed by Fred Williamson & Associates (FWA) as President. I also hold a Certified Public Accountant (CPA) Certificate. FWA is a consulting firm that specializes in financial and regulatory compliance for

- rural telecommunications providers. I have worked for over ten years as a consultant for ACC with respect to its regulatory and financial matters. This included providing analysis and documents to support ACC's various waiver petitions associated with its universal service support payments filed in this docket.
2. The purpose of this Affidavit and attachments is to provide ACC's 2016 cost study information and substantiate the high cost loop support (HCLS) and broadband loop support (BLS) amounts that ACC should receive upon grant of a waiver by the FCC of the 54.302 Rule. This rule limits ACC's composite HCLS and BLS support to \$250 per line/month before any budget control mechanisms (BCM) are applied. Based on information provided herein, ACC's composite HCLS and BLS support should be set at \$457 per line per month before application of the BCM.
 3. The 2016 cost study is based upon accounting records that incorporate revised cost accounting procedures that comply with the FCC's rules for cost allocation between regulated and non-regulated activities. USAC's High Cost Compliance and Verification Team after substantial review, concluded in its Memorandum to the FCC Wireline Competition Bureau that ACC's cost accounting procedures were reasonable. [See Memorandum, February 24, 2017 (revised March 6, 2017 and April 10, 2017), USAC Review of Allband Communications Cooperative, Page 5]
 4. This Affidavit includes Attachments 1 through 9. These attachments contain the critical components of the 2016 cost study. The cost study results for 2016 were employed to determine HCLS and BLS support amounts that reflect ACC's revised accounting procedures. These procedures incorporate the corrective actions Allband has taken as explained in the Affidavit of Christine Duncan. The attachments, collectively, provide an audit trail from the accounting records to the cost amounts used to determine HCLS and BLS support, based on 2016 costs. A description of each attachment follows.
 5. *Attachment 1 – Unaudited Consolidated Financial Statements 12-31-16 – Trial Balance.* This attachment contains the trial balance for both ACC ("COOP") and

Allband Multimedia (“AMM”) for year ending 12/31/2016. AMM is a non-regulated affiliate of ACC. Consolidated balances are also shown. The trial balance provides a summary of the revenue and costs assigned or allocated to ACC and AMM through the accounting process. These assignments are either direct in nature or if common in nature, are allocated to ACC and AMM utilizing general allocators. These allocators are determined quarterly based on payroll hours. ACC’s investments, reserves, expenses and taxes captured by account on the trial balance, are the starting point for the cost study.

6. *Attachment 2 – Rate Base Summary, Account 2001 Summary and Account 3100 Summary (Accumulated Depreciation) for Year Ending 12-31-2016.* These schedules summarize and show the account balances per the books or accounting records for the rate base components of the cost study. Additionally, these schedules show adjustments made to the book balances in compliance with the Part 64 rules to determine regulated account balances. These are labeled “Adjusted Books” or “Balance Per Study.” More details regarding adjustments displayed on the schedules are provided in subsequent attachments. Regulated balances by account and/or category are inputs to the cost study. Balances per book shown can be mapped to the trial balance provided in Attachment 1. Plant accounts associated with “ARRA” grant funded investments are not included in the cost study since they are entirely associated with non-regulated operations. These schedules also calculate the average investment balances (average of 2015 and 2016 regulated amounts) and associated reserve balances for input to the cost study. Page 1, *Rate Base Summary*, summarizes the investment, reserve and other rate base components. Page 2, *Account 2001 Summary*, displays the investment amounts for the plant accounts. Page 3, *Account 3100 Summary*, shows the depreciation reserve amounts related to the plant accounts.
7. *Attachment 3 – Telephone Plant Adjustments (TPAs) – Summary by Account.* This schedule summarizes the adjustments made to telephone plant and reserves. The primary adjustments are necessary to remove non-regulated costs from the account balances. Major adjustments made consist of allocation of general support assets

(land, buildings, motor vehicles, etc.) and central office equipment to non-regulated operations. General support assets are assigned based on the general allocators that are developed from payroll records. Central office investment costs are primarily assigned based on an analysis of underlying fully distributed costs employed to determine the lease amounts. A brief description of each TPA is provided at the bottom of the attachment. TPAs are summarized by account and carried forward to the Account 2001 and Account 3100 summaries provided in Attachment 2

8. *Attachment 4 – Revenue and Expense Summary.* This schedule displays revenue and expense accounts. It begins with book balances from the trial balance provided in Attachment 1. The schedule also shows the separations study adjustments that are made. These adjustments primarily remove amounts associated with non-regulated operations. Adjusted expense and property tax balances are determined and represent regulated amounts for input into the cost study. Inputs shown are for both the jurisdictional cost allocation process and the HCLS universal service support mechanism.
9. *Attachment 5 – Separations Study Adjustments (SSAs) – Summary by Account.* Each SSA is summarized on the schedule and the total adjustments for each account are shown. The total adjustments are posted to the Revenue and Expense Summary provided in Attachment 4. The primary adjustments are for allocation of general support related expenses, assignment of central office lease costs and allocation of property taxes to non-regulated operations. General support asset expenses are assigned based on the apportionment of the related assets. The central office lease costs are allocated based on an analysis of underlying fully distributed costs employed to determine the lease amounts. Property taxes are apportioned based on the relative percentages of plant in service for regulated and non-regulated operations. A brief description of each SSA is provided at the bottom of the attachment.
10. *Attachment 6 – Cost Study for the Year Ended December 31, 2016.* Attachment 6 contains a summary of the Parts 36 and 69 cost study results. The schedule shows development of revenue requirements and summarizes Plant in Service, Reserves,

Operating Expenses and Tax amounts. The amounts under the “Total” column for each account can be traced to the cost study inputs shown in the reports provided in Attachment 2, Rate Base and Attachment 4, Revenue and Expense. The cost study report under column (b) shows the amount assigned to the Interstate jurisdiction, pursuant to the FCC Part 36 Rules. Columns (c) through (l) show the amounts assigned to the Part 69 access elements, pursuant to the FCC Part 69 Rules. While all access elements are shown, the key element used for determination of ACC’s BLS amount are in column (c) under the heading “CL – EU” (Common Line – End User). ACC’s 2016 revenue requirement for this element is \$320,198 (Page 1, line 25.)


11. *Attachment 7 – Calculation of Projected HCLS – Inputs.* This attachment displays the inputs employed for determination of HCLS support based on the 2016 cost study. The account specific inputs for investments, reserves, expense and taxes are obtained from the reports provided in Attachments 2 (plant) and 4 (expenses). Investment category specific inputs, working loops, and benefits are obtained from subsidiary records. Year ending amounts for 2015 are shown for comparative purposes.
12. *Attachment 8 – Loop Cost and Expense Adjustment Algorithm.* As shown on this attachment, ACC’s cost per loop based on the 2016 cost study is \$6,663.04. This attachment displays the results of the specific HCLS algorithm specified in the FCC Part 54 rules. It should be noted that ACC’s 2016 corporate expenses don’t exceed the corporate expense limitation. The attachment also displays information from the HCLS algorithm for 2015. The comparable loop cost shown for 2015 is \$6,431.26.
13. *Attachment 9 – Calculation of Projected HCLS.* HCLS support is determined based on 2016 calculated loop cost of \$6,663.04. The attachment shows that based on the 2016 loop cost, ACC’s HCLS amount is estimated to be \$563,467.50. This accounts for the reduction to HCLS due to application of a pro-rata factor of .817962. The amount does not account for the per line and pro-rata reductions imposed by the BCM. The 2016 loop costs and associated HCLS support will not impact HCLS payments until the 2018 calendar year. The current payments for 2017 would be

based on 2015 costs, absent imposition of the cap imposed by the 54.302 rule. As shown above, the 2015 loop costs that have been submitted for calculation of HCLS payments are lower than the 2016 loop costs. Likewise, the 2015 HCLS amount, before application of the BCM, is lower than the 2016 amount.


14. The table below contains a summary of HCLS and BLS support amounts for 2015 and 2016. It also shows the 2017/2018 BLS forecast amounts. If ACC receives a waiver of the 54.302 cap, it is anticipated that the 2017 support payments for HCLS would be established based on the 2015 cost study. Effective July 1, 2017, support payments for BLS would be based on the 2017/2018 forecast amounts. Numerous adjustments were included in the 2015 cost study to achieve reasonable allocations to non-regulated operations. These adjustments overall resulted in joint cost allocations that more closely align with the respective line count percentages for ACC and AMM. ACC's 2017/2018 forecast was based on financials for the first six months of 2017. The 2017 financials incorporated ACC's revised accounting procedures that were reviewed by USAC and achieved compliance with the FCC Rules. NECA and USAC currently have the 2015 cost study and 2017/2018 forecast information. The forecast information can be verified based on the Form 508 that NECA has provided to USAC. As shown in the table below, the 2015 HCLS and 2017/2018 BLS forecast amounts compare reasonably to the calculated support amounts based on the 2016 cost study. The 2015 HCLS per line/month amount is \$291.00 (payable in 2017) and the 2017/2018 Forecast BLS per line/month amount is \$166.00 (payable effective July 1, 2017). The total HCLS and BLS per line/month support for ACC, effective July 1, 2017, is \$457. The comparable amount, based on the 2016 cost study is \$462. Thus, the aggregate support amount, that would be effective if the FCC grants a waiver of the 54.302 rule, is slightly less than the 2016 amount and is a reasonable basis for determining ACC's HCLS and BLS payments subsequent to July 1, 2017. ACC's support, upon grant of the waiver request should be set at \$457 per month, before application of the BCM by USAC.

Allband Communications
HCL and BLS Support Amounts

	Cost Study Year		
	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017/18 Forecast</u>
Loops	153	156	155
<u>HCLS</u>			
HCLS Before Pro-Rata Cut	\$ 649,023	\$ 688,867	N/A
Pro-Rata Factor	0.822269	0.817962	N/A
HCLS After Pro-Rata Before BCM	\$ 533,671	\$ 563,467	N/A
HCLS Per Line/Month	\$ 291	\$ 301	N/A
<u>BLS</u>			
Common Line Rev Req	\$ 316,182	\$ 320,198	\$ 329,189
Less: USF Contributions	11,154	13,789	19,616
Less: EUCL Revenue	11,246	11,039	10,920
Plus: Pool Administration	6,747	6,778	9,887
BLS Support Before BCM	\$ 300,529	\$ 302,148	\$ 308,540
BLS Per Line/Month	\$ 164	\$ 161	\$ 166
<u>Total Support</u>			
Per Line/Month	834,201	865,615	N/A
	\$ 454	\$ 462	N/A


Tim Morrissey
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SWORN TO AND SUBSCRIBED BEFORE ME
THIS 26th DAY OF July A.D. 2017


NOTARY PUBLIC STATE OF MISSOURI
MY COMMISSION EXPIRES: 8/30/2020
COUNTY OF St. Charles

SANDRA M. VANCE
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles County
My Commission Expires: August 30, 2020
Commission Number: 12411264

Allband Communications Cooperative, Inc.

Unaudited Consolidated Financial Statements, 12/31/2016 – Trial Balance

COOP	AMM		12/31/2016		Elimination	Consolidated
	Dec 31, 16					
	Debit	Credit	Debit	Credit	Debit	Credit
113002 · REA Account - BOA	0.00		113003 · Bank of Alpena Checking	14,788.95		14,788.95
113003 · General Account - BOA	45,554.83					45,554.83
113004 · BOA Sweep account	0.00					-
113005 · RUS Pledge Account 1110-39A	0.00					-
113006 · RUS Pledge Account 1110-B39	0.00					-
113007 · First Federal Money Market	21,428.87					21,428.87
113009 · Accrual Cash account	0.00					-
110000 · Accounts Receivable	12,685.48		110000 · Accounts Receivable	-		12,685.48
113001 · Petty Cash	56.72					56.72
117000 · Due From Customers	11,052.23		117000 · Due From Customers	84,102.21		95,154.44
117010.Provision for Bad Debt			117010.Provision for Bad Debt		18,600.00	(18,600.00)
			117030 · Customer Notes Rec - Current	907.74		907.74
119010 · A/R - NECA	91,553.35					91,553.35
119020 · A/R - CABS	4,717.44		119020 · A/R-CABS	-		4,717.44
119030 · A/R - Allband MultiMedia	299,677.35		119030 · A/R - Allband Communications		299,677.35	-
119040 A/R ACEWR	3,417.09					3,417.09
120000 · Undeposited Funds	0.00		120000 · Undeposited Funds	-		-
121000 · Inventory Asset	0.00					-
122000 · Materials & Supplies	123,421.30					123,421.30
122001 · Materials & Supplies - ARRA	365,846.82					365,846.82
122002 · Rouge ONT	4,497.32					4,497.32
122010 · Material & Supplies Provisionin	0.00					-
122020 · Misc Plant Ops Supplies	0.00					-
131000 · Prepaid Insurance	0.00					-
132000 · Prepaid Income Tax	9,634.00					9,634.00
132001 · Prepaid Personal Property Tax	0.00					-
132100 · Prepaid State Income Tax	1,614.24					1,614.24
133000 · Prepaid Other	16,264.76		133000 · Prepaid Other	6,925.32		23,190.08
			141030 · Customer Notes Rec - Long Term	839.17		839.17
133001 · Loan Fees - Current Portion	2,750.00					2,750.00
141000 · Deferred Charges - Loan Org Fee	25,437.38					25,437.38
141001 · Loans fees - Current Portion		2,750.00				(2,750.00)
142100 · Investment -A M M	39,096.68				39,098.12	(1.44)
200300 · Telecomm Plant Under Const	50,280.41		200300 · Construction in Progress	-		50,280.41
200301 · Contruction In Progress - AARA	0.00					-
211100 · Land	9,886.63					9,886.63
211200 · Motor Vehicles	76,187.58					76,187.58
211400 · Other Work Equipment	95,028.34					95,028.34
211401 · Other Work Equipment - ARRA	44,312.46					44,312.46
211402 · Other Work Equipment - ARRA con		44,312.46				(44,312.46)

COOP	AMM		12/31/2016		Elimination	Consolidated
	Dec 31, 16					
	Debit	Credit	Debit	Credit	Debit	Credit
212100 · Buildings	280,221.95					280,221.95
212101 · Leasehold Improvement	0.00					-
212300 · Office Equipment	21,472.92					21,472.92
212301 · Office Equipment ARRA	3,059.96					3,059.96
212302 · Office Equipment ARRA contra		3,059.96				(3,059.96)
212400 · General Purpose Computers	11,932.95					11,932.95
212401 · General Purpose Computers ARRA	852.57					852.57
212402 · Gen Purp Computers ARRA contra		852.57				(852.57)
221200 · Digital Electronic Switching	473,317.26					473,317.26
223200 · Circuit Equipment	344,828.82		223200 · Circuit Equipment	957.31		345,786.13
223210 · Internet Equipment	70,787.21					70,787.21
223301 · Circuit Equipment ARRA	154,008.27					154,008.27
223302 · Circuit Equip ARRA contra		154,008.27				(154,008.27)
242200 · Fiber Optic Cable	5,613,624.43					5,613,624.43
242201 · ARRA - Fiber Optic Cable	8,970,563.90					8,970,563.90
242202 · Fiber Cable - ARRA contra		8,983,698.59				(8,983,698.59)
242310 · Buried Drops	111,957.13		242310 · Buried Drops	146,951.61		258,908.74
242311 · Buried Drops ARRA	21,707.02					21,707.02
311200 · A/D - Motor Vehicles		37,875.58				(37,875.58)
311400 · A/D - Other Work Equipment		42,274.15				(42,274.15)
312100 · A/D - Building		112,854.71				(112,854.71)
312200 · A/D - Furniture		3,360.00				(3,360.00)
312300 · A/D - Office Equipment		15,187.93				(15,187.93)
312400 · A/D - General Purpose Computers		6,716.74				(6,716.74)
321200 · A/D - Digital Electronic Switch		452,038.79				(452,038.79)
323200 · A/d - Circuit Equipment		271,009.32				(271,009.32)
323210 · A/D - Internet Equipment		58,812.68				(58,812.68)
342200 · A/D - Fiber Optic Cable		2,151,275.33				(2,151,275.33)
342310 · Accumulated Depreciation - Drop		33,379.10				(33,379.10)
400000 · Accounts Payable - Trade		89,036.04	400000 · Accounts Payable - Trade	-		(89,036.04)
400002 · Bank of Alpena		332.89				(332.89)
240000 · Payroll Liabilities	0.00					-
400001 · Additional Payables		9,900.00				(9,900.00)
400005 · A/P - Allband Multimedia	0.00		400005 · A/P - ACC	299,677.35	299,677.35	-
400100 · Security Deposits		149.96				(149.96)
401000 · Accounts Payable - Retainage	0.00		400100 · Security Deposits	11,758.15		(11,758.15)
401010 · Federal Withholding Payable	0.00		401010 · Federal Withholding Payable			-
401020 · State Withholdong Payable		978.65	401020 · State Withholdong Payable			(978.65)
			401021. State Sales Tax Payable	13.87		13.87
401022 · State Use Tax Payable		300.94	401022 · State Use Tax Payable		848.49	(1,149.43)

COOP	AMM		12/31/2016		Elimination	Consolidated
	Dec 31, 16					
	Debit	Credit	Debit	Credit	Debit	Credit
401030 · FICA Payable	0.00		401030 · FICA Payable			-
401040 · A/P - State Use Tax	0.00		401040 · A/P - State Use Tax			-
401050 · Federal Excise Tax Payable		345.08	401050 · Federal Excise Tax Payable	218.40		(563.48)
401090 · 911 Taxes Payable		1,574.21	401090 · 911 Taxes Payable	2,904.77		(4,478.98)
401100 · Accounts Payable - NECA	0.00					-
402021 · State Sales Tax Payable	0.00					-
405010 · Notes Payable - RUS - Current		389,389.28				(389,389.28)
405020 · Officer Payable- Reigle Current	0.00					-
405100 · Short Term NMDD Loan 1		5,735.64				(5,735.64)
407000 · Accrued Income Tax	0.00					-
407100 · Accrued State Income Tax	0.00					-
408020 · Accrued MESC Taxes		633.24				(633.24)
408030 · Accrued FUTA Taxes		29.37				(29.37)
408050 · Property Taxes	0.00					-
413001 · Billings in Excess	0.00					-
413002 · Accrued Interest - Reigle	0.00					-
413010 · Accrued Wages		12,183.37				(12,183.37)
413050 · Accrued Interest	0.00					-
431001 · Grant		386,391.15				(386,391.15)
421000 · Notes Payable - RFTC - LongTerm	0.00					-
421010 · Notes Payable-RUS Long Term		4,596,877.37				(4,596,877.37)
425100 · Long Term NMDD Loan 1		65,514.36				(65,514.36)
430003 · Officer Payable - John Reigle	0.00					-
300000 · Opening Balance Equity	0.00					-
320000 · Unrestricted Net Assets	0.00					-
451000 · Memberships		3,280.00				(3,280.00)
455000 · Non Patronage Capital		250,084.22	320000 · Members Equity	71,070.45	71,070.45	(250,084.22)
455001 · Patronage Capital	709,877.72		320001 · Members Equity - Non Patron	110,168.57	110,168.57	709,877.72
500100 · Local Service Revenue		24,813.28	500100 · VOIP Local Service Revenue	89,132.39		(113,945.67)
506900 · High Cost Loop Support		515,080.00				(515,080.00)
508100 · End user Common Line Revenue		13,594.16				(13,594.16)
508230 · Switched Access Rev-TS Intersta		126,431.55				(126,431.55)
508231 · Switched Access Rev - TS Prior	7,552.92					7,552.92
508240 · Switched Acc Rev-CCL Interstate		259,676.00				(259,676.00)
508241 · Switched Access Rev CCL Prior		51,776.00				(51,776.00)
508430 · Switch Acc Rev - Intrastate		32,256.98				(32,256.98)
508440 · Network Access - AMM		66,398.60			66,398.60	-
510010 · Toll Revenue - Billed		16,807.27	510010 · VOIP Unlimited Long Distance - Billed	89,643.93		(106,451.20)
510030 · Other Revenue		150.00				(150.00)
524000 · Switch Lease to AMM		42,513.00			42,513.00	-

COOP	AMM		12/31/2016		Elimination	Consolidated
	Dec 31, 16					
	Debit	Credit	Debit	Credit	Debit	Credit
653300 · Testing	3,608.15		653300 · Testing	19,213.58		22,821.73
653400 · Plant Oper. Admin Expense	10,133.54		653400 · Plant Oper. Admin Expense	4,835.61		14,969.15
653500 · Engineering Expense	14,750.86		653500 · Engineering Expense	13,140.77		27,891.63
654000 · Access Expense	18,795.68		654000 · VOIP Access Expense			18,795.68
656100 · Depreciation Expense	369,360.00		654010 · Access Expense - ACC	66,398.60	66,398.60	369,360.00
656500 · Amortization Expense	2,750.00					2,750.00
657010 · Benefits Clearing - FICA	0.00					-
657020 · Benefits Clearing - MESC	0.00					-
657030 · Benefits Clearing - FUTA	0.00					-
657040 · Benefits Clearing - Health	0.00					-
660000 · Payroll Expenses	0.00					-
661300 · Advertising Expense	11,109.05		661300 · Advertising Expense	26,323.23		37,432.28
662200 · Number Service Expense	1,081.18		662200 · Number Service Expense	6,057.30		7,138.48
662300 · Customer Service Expense	15,555.56		662300 · Customer Service Expense	75,107.67		90,663.23
662310 · Joint Customer Service Expense	668.40					668.40
662700 · Revenue Accounting (CABS)	6,552.59					6,552.59
671100 · Executive Expense	14,215.40		671100 · Executive Expense	22,646.22		36,861.62
671110 · Joint Executive Oversight Exp	2,075.13					2,075.13
672000 · General and Admin Expense	45,208.55		672000 · General & Admin Expense	75,594.40		120,802.95
672010 · General Admin TRS & PUA Expense	4,393.31					4,393.31
672020 · Food - Non Reimbursable	421.27					421.27
672030 · General Computer Software Expen	1,606.32					1,606.32
672100 · Direct Assigned Reg Acct & Fin	49,616.42		672100 · Accounting & Finance Expense	25,522.42		75,138.84
672110 · Joint Accounting & Finance		4,801.23				(4,801.23)
672200 · Cost Study Expense	135,548.69					135,548.69
672500 · Legal Expense	39,818.22		672500 · Legal Expense	394.71		40,212.93
672510 · HR Legal	1,220.74		672510 · HR Legal	2,014.59		3,235.33
672810 · Insurance Expense	6,558.63		672810 · Insurance Expense	11,585.37		18,144.00
673000 · Donations			673000 · Donations	2,065.52		2,065.52
			701500. Bad Debt write off	-		-
			722000. Federal Income Tax	-		-
			723000. State Income Tax			-
724030 · Operating Taxes - Ad Valorum	74,012.67					74,012.67
724040 · Operating taxes-other	61.52					61.52
799102 · Misc Service Revenue	133.43		799102 · Misc Service Revenue			133.43
799103 · Well Transport		2,877.36				(2,877.36)
730030 · Customer NR Interest Income			730030 · Customer NR Interest Income		47.35	(47.35)
731000 · Interest Income		128.87				(128.87)
741000 · Discounts Allowed		401.39				(401.39)
799011 · Non Regulated Services Revenue		9,758.06	799011 · Non Regulated Services Revenue		9,337.85	(19,095.91)

COOP	AMM		Elimination		Consolidated
	Dec 31, 16		12/31/2016		
	Debit	Credit	Debit	Credit	
799101 • Fees		1,496.95		11,360.22	(12,857.17)
730010 • Donations/Charitable Contribut	80.90				80.90
730020 • Dues/Membership Fees	8,284.00				8,284.00
737000 • Lobbying Expense	299.44		239.83		539.27
751000 • Interest Expense	139.31				139.31
751010 • Interest Expense - RUS	252,481.82				252,481.82
791102 • Customer Premise Work (non-reg)	6,901.59		26,145.71		33,047.30
791103 • Repair Customer Premise Equip	8,019.42		41,127.09		49,146.51
799012 • Non Regulated Services Expense	3,713.31		1,006.90		4,720.21
			346.49		346.49
	<u>19,367,389.47</u>	<u>19,367,389.47</u>	<u>1,067,535.73</u>	<u>1,067,535.73</u>	-

Allband Communications Cooperative, Inc.

Rate Base Summary, Account 2001 Summary and Account 3100 Summary
(Accumulated Depreciation for Year Ending 12-31-2016)

ALLBAND COMMUNICATIONS COOPERATIVE

RATE BASE SUMMARY

STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared by FW&A, Inc.

7/13/2017

	BALANCE PER BOOKS 12/31/2016		ADJUSTMENT	ADJUSTED BOOKS @ 12/31/2016	ADJUSTED BOOKS @ 12/31/2015	AVERAGE BALANCE 12/31/2016
ACCOUNT 2001	7,130,952		(669,094)	6,461,858	6,502,787	6,482,323
ACCOUNT 2003	50,280			50,280	50,330	50,305
CASH WORKING CAPITAL	0	5	30,825	30,825	28,016	30,825
MATERIAL & SUPPLIES	123,421		0	123,421	122,755	123,088
RTB STOCK	0		0	0	0	0
TELEPHONE PLANT	7,304,654		(638,269)	6,666,385	6,703,888	6,686,542
ACCOUNT 3100	3,184,784		(473,590)	2,711,194	2,383,479	2,547,337
RESERVES	3,184,784		(473,590)	2,711,194	2,383,479	2,547,337
RATE BASE	4,119,870		(164,679)	3,955,191	4,320,409	4,139,205

ALLBAND COMMUNICATIONS COOPERATIVE

ACCOUNT 2001 SUMMARY (TELEPHONE PLANT IN SERVICE)

Prepared by FW&A, Inc.

STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

7/13/2017

ACCOUNT	BALANCE PER BOOKS 12/31/2016	TPA #	ADJUSTMENT	ADJUSTED BOOKS @ 12/31/2016	ADJUSTED BOOKS @ 12/31/2015	AVERAGE BALANCE 12/31/2016
<u>GENERAL SUPPORT ASSETS</u>						
2111 LAND	\$9,887	6	(3,753)	\$6,134	\$9,755	\$7,944
2112 MOTOR VEHICLES	76,188	8	(51,861)	24,327	6,550	15,439
2116 OTHER WORK EQUIPMENT	95,028	8	(64,685)	30,343	7,312	18,827
2121 BUILDINGS	280,222	6, 9	(116,898)	163,324	266,112	214,718
212101 LEASE HOLD IMPROVEMENTS		9	10,523	10,523	10,523	10,523
2122 FURNITURE/ARTWORK	-	7		0	-	0
2123 OFFICE EQUIPMENT	21,473	7	(13,957)	7,516	5,723	6,619
2124 GENERAL PURPOSE COMPUTERS	11,933	7	(8,136)	3,797	3,797	3,797
TOTAL GENERAL SUPPORT ASSETS	\$494,730		(\$248,767)	\$245,963	\$309,771	\$277,867
<u>CENTRAL OFFICE EQUIPMENT</u>						
2212 DIGITAL SWITCHING	\$473,317	2,12	(311,915)	\$161,403	\$161,718	\$161,560
2212.3 EQUAL ACCESS SWITCHING	-			0	-	0
SWITCHING EQUIPMENT	\$473,317		(\$311,915)	\$161,403	\$161,718	\$161,560
2231.21 MICROWAVE FACILITIES	\$0			\$0	\$0	\$0
2232 CIRCUIT EQUIPMENT	344,829	13	(42,865)	301,964	290,622	296,293
2232.1 CIRCUIT EQUIPMENT-TRUNK TRANSMISSION	70,787	1,2	(6,974)	63,813	63,813	63,813
TRANSMISSION EQUIPMENT	\$415,616		(\$49,839)	\$365,777	\$354,435	\$360,106
TOTAL CENTRAL OFFICE EQUIPMENT	\$888,933		(\$361,754)	\$527,180	\$516,153	\$521,666
<u>INFORMATION ORIG/TERM EQUIPMENT</u>						
2311 STATION APPARATUS	\$0			\$0	\$0	\$0
2351 PUBLIC TELEPHONE EQUIPMENT	-			0	-	0
TOTAL INFO ORIG/TERM EQUIPMENT	\$0		\$0	\$0	\$0	\$0
<u>CABLE & WIRE FACILITIES</u>						
2411 POLES	\$0			\$0	\$0	\$0
2421 AERIAL CABLE	-			0	-	0
2422 FIBER OPTIC CABLE	5,613,624	4,10	(36,866)	5,576,758	5,576,758	5,576,758
2423 BURIED CABLE	-			0	-	0
2423.1 BURIED CABLE - DROPS	133,664	11	(21,707)	111,957	100,105	106,031
2441 CONDUIT SYSTEMS	-			0	-	0
TOTAL CABLE & WIRE FACILITIES	\$5,747,289		(\$58,573)	\$5,688,715	\$5,676,863	\$5,682,789
<u>TANGIBLE ASSETS</u>						
2691 INTANGIBLE ASSETS	\$0	3	0	\$0	\$0	\$0
TOTAL ACCOUNT 2001	\$7,130,952		(\$669,094)	\$6,461,858	\$6,502,787	\$6,482,323
1220 MATERIAL & SUPPLIES	\$123,421			\$123,421	\$122,755	\$123,088
1402 R.T.B. STOCK - Class B	\$0			\$0	\$0	\$0
1406.1 NON-REGULATED PERMANENT ASSETS	\$0			\$0	\$0	\$0

ALLBAND COMMUNICATIONS COOPERATIVE
ACCOUNT 3100 SUMMARY (ACCUMULATED DEPRECIATION)
STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared by FW&A, Inc.
7/13/2017

ACCOUNT	BALANCE PER BOOKS 12/31/2016	TPA #	ADJUSTMENT	BALANCE PER STUDY 12/31/2016	BALANCE PER STUDY 12/31/2015	AVERAGE BALANCE 12/31/2016
<u>GENERAL SUPPORT ASSETS</u>						
2112 MOTOR VEHICLES	\$37,876	8	(25,782)	\$12,094	\$5,247	\$8,670
2116 OTHER WORK EQUIPMENT	42,274	8	(28,776)	13,498	5,175	9,337
2121 BUILDINGS	112,855	6,9	(43,893)	68,962	97,803	83,382
212101 LEASE HOLD IMPROVEMENTS		9	1,052	1,052	526	789
2122 FURNITURE/ARTWORK	3,360	7	(3,360)	0	0	0
2123 OFFICE EQUIPMENT	15,188	7	(9,872)	5,316	3,504	4,410
2124 GENERAL PURPOSE COMPUTERS	6,717	7	(4,366)	2,351	1,566	1,959
TOTAL GENERAL SUPPORT ASSETS	\$218,269		(\$114,996)	\$103,273	\$113,822	\$108,548
<u>CENTRAL OFFICE EQUIPMENT</u>						
2212 DIGITAL SWITCHING	\$452,039	2,12	(296,805)	\$155,234	\$109,639	\$132,437
2212.3 EQUAL ACCESS SWITCHING SWITCHING EQUIPMENT	-			0	-	0
	\$452,039		(\$296,805)	\$155,234	\$109,639	\$132,437
2231.21 MICROWAVE FACILITIES	\$0			\$0	\$0	\$0
2232 CIRCUIT EQUIPMENT	271,009	13	(\$34,010)	236,999	203,999	220,499
3232 CIRCUIT EQUIPMENT-TRUNK TRANSMISSION TRANSMISSION EQUIPMENT	58,813	1,2	(5,585)	53,228	47,841	50,534
	\$329,822		(\$39,595)	\$290,227	\$251,840	\$271,034
TOTAL CENTRAL OFFICE EQUIPMENT	\$781,861		(\$336,400)	\$445,461	\$361,479	\$403,470
<u>INFORMATION ORIG/TERM EQUIPMENT</u>						
2311 STATION APPARATUS	\$0			\$0	\$0	\$0
2351 PUBLIC TELEPHONE EQUIPMENT	-			0	0	0
TOTAL INFO ORIG/TERM EQUIPMENT	\$0		\$0	\$0	\$0	\$0
<u>CABLE & WIRE FACILITIES</u>						
2411 POLES	\$0			\$0	\$0	\$0
2421 AERIAL CABLE	-			0	-	0
2422 FIBER OPTIC CABLE	2,151,275	4,10	(16,774)	2,134,501	1,880,939	2,007,720
2423 BURIED CABLE	-			0	-	0
2423.1 BURIED CABLE - DROPS	33,379	11	(5,421)	27,958	27,240	27,599
2441 CONDUIT SYSTEMS	-			0	-	0
TOTAL CABLE & WIRE FACILITIES	\$2,184,654		(\$22,195)	\$2,162,460	\$1,908,178	\$2,035,319
<u>TANGIBLE ASSETS</u>						
2691 INTANGIBLE ASSETS	\$0	3	0	\$0	\$0	\$0
TOTAL ACCOUNT 3100	\$3,184,784		(\$473,590)	\$2,711,194	\$2,383,479	\$2,547,337

Allband Communications Cooperative, Inc.
Telephone Plant Adjustments (TPAs) – Summary by Account

ALLBAND COMMUNICATIONS COOPERATIVE

TELEPHONE PLANT ADJUSTMENTS (TPA'S) - SUMMARY BY ACCOUNT
STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Acct #	Description	TPA #1	TPA #2	TPA #3	TPA #4	TPA #5	TPA #6	TPA #7	TPA #8	TPA #9	TPA #10	TPA #11	TPA #12	TPA #13	TPAs 12/31/2016
ASSETS															
1	CASH AND CASH EQUIVALENTS					(30,825.23)									(30,825.23)
2	2111 LAND						(3,753.06)								(3,753.06)
3	2112 MOTOR VEHICLES								(51,860.56)						(51,860.56)
4	2116 OTHER WORK EQUIPMENT								(64,685.39)						(64,685.39)
5	2121 BUILDINGS						(106,374.89)			(10,523.41)					(116,898.30)
	LEASEHOLDS									10,523.41					10,523.41
6	2122 FURNITURE/ARTWORK							0.00							-
7	2123 OFFICE EQUIPMENT							(13,956.93)							(13,956.93)
8	2124 GENERAL PURPOSE COMPUTERS							(8,136.38)							(8,136.38)
9	2212 DIGITAL SWITCHING		(11,894.70)												(311,914.70)
10	2212.3 EQUAL ACCESS SWITCHING												(300,020.00)		-
11	2231.21 MICROWAVE FACILITIES														-
12	2232 CIRCUIT EQUIPMENT													(42,865.00)	(42,865.00)
13	2232.1 CIRCUIT EQUIPMENT-TRUNK TRANSMISSION	(3,374.06)	(3,600.00)												(6,974.06)
14	2311 STATION APPARATUS														-
15	2351 PUBLIC TELEPHONE EQUIPMENT														-
16	2411 POLES														-
17	2421 AERIAL CABLE														-
18	2422 FIBER OPTIC CABLE				(4,429.02)						(32,437.13)				(36,866.15)
19	2423 BURIED CABLE											(21,707.02)			(21,707.02)
20	2423.1 BURIED CABLE - DROPS														-
21	2441 CONDUIT SYSTEMS														-
22	2691 INTANGIBLE ASSETS			0.00											-
23	CWC CASH WORKING CAPITAL					30,825.23									30,825.23
24	2003 TELEPHONE PLANT UNDER CONSTRUCTION														-
ACCUMULATED DEPRECIATION															
25	3100.2112 MOTOR VEHICLES								25,781.75						25,781.75
26	3100.2116 OTHER WORK EQUIPMENT								28,775.83						28,775.83
27	3100.2121 BUILDINGS						42,840.82			1,052.34					43,893.16
	LEASEHOLDS									(1,052.34)					(1,052.34)
28	3100.2122 FURNITURE/ARTWORK							3,360.00							3,360.00
29	3100.2123 OFFICE EQUIPMENT							9,871.50							9,871.50
30	3100.2124 GENERAL PURPOSE COMPUTERS							4,365.74							4,365.74
31	3100.2212 DIGITAL SWITCHING		10,272.70												296,804.70
32	3100.2212.3 EQUAL ACCESS SWITCHING														-
33	3100.2231.21 MICROWAVE FACILITIES														-
34	3100.2232 CIRCUIT EQUIPMENT														-
35	3100.3232 CIRCUIT EQUIPMENT-TRUNK TRANSMISSION	2,803.30	2,781.82											34,010.00	34,010.00
36	3100.2311 STATION APPARATUS														5,585.12
37	3100.2351 PUBLIC TELEPHONE EQUIPMENT														-
38	3100.2411 POLES														-
39	3100.2421 AERIAL CABLE														-
40	3100.2422 FIBER OPTIC CABLE				2,015.20						14,758.89				16,774.10
41	3100.2423 BURIED CABLE														-
42	3100.2423.1 BURIED CABLE - DROPS											5,420.76			5,420.76
43	3100.2441 CONDUIT SYSTEMS														-
44	3100.2691 INTANGIBLE ASSETS			0.00											-
45	1406 NONREGULATED INVESTMENT		2,440.18		2,413.82		67,287.13	4,496.07	61,988.37		17,678.24	16,286.26	13,488.00	8,855.00	194,933.06
46	4500 RETAINED EARNINGS	570.76		0.00											570.76
															-
	(Sum of lines 1 through 47)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0)

Telephone Plant Adjustments (TPAs):

- #1 TO ADJUST NONREGULATED EXPENSES THAT WERE INAPPROPRIATELY BOOKED TO ACCOUNT 2232.1
- #2 TO REMOVE CALEA INVESTMENT.
- #3 Reserved
- #4 TO ALLOCATE A PORTION OF THE C&WF ATTRIBUTABLE TO INSIDE WIRE INVESTMENT.
- #5 TO RECORD THE ALLOWANCE FOR CASH WORKING CAPITAL.
- #6 TO RECLASSIFY LAND & BUILDING INVESTMENT TO NON-REGULATED OPERATIONS
- #7 TO RECLASSIFY INVESTMENT IN GENERAL SUPPORT ASSETS TO NON-REGULATED OPERATIONS
- #8 TO RECLASSIFY MOTOR VEHICLES AND WORK EQUIPMENT TO NON-REGULATED OPERATIONS
- #9 TO RECLASSIFY A PORTION OF BUILDING INVESTMENT TO LEASE HOLDS
- #10 TO ALLOCATE A PORTION OF C&WF USED BY AMM TO NON-REGULATED OPERATIONS
- #11 TO ADJUST BURIED DROP COSTS FOR COSTS THAT ARE NON-REGULATED
- #12 TO ADJUST FOR SIWITCHING INVESTMENT RELATED TO LEASE TO AMM
- #13 TO ADJUST FOR CIRCUIT INVESTMENT RELATED TO LEASE TO AMM

Allband Communications Cooperative, Inc.
Revenue and Expense Summary

ALLBAND COMMUNICATIONS COOPERATIVE**REVENUE AND EXPENSE SUMMARY****STUDY FOR THE YEAR ENDED DECEMBER 31, 2016**

Prepared by FWA, Inc.

7/26/2017

		BALANCES PER BOOKS SYE 12/31/2016	SSA #	SEPARATIONS STUDY ADJUSTMENTS		SSA #	ADJUSTED BALANCES PER STUDY SYE 12/31/2016	PART 36 INPUT ACCOUNTS	PART 36 INPUT TOTALS SYE 12/31/2016	USF/LSS LINE #
				DR.	CR.					
5001	BASIC AREA REVENUE - ACCESS LINES	\$24,813.28	15	230.63			\$24,583			
5060	OTHER LOCAL SERVICE REVENUE	0.00					0			
5069	OTHER LOCAL EXCHANGE REVENUE - USF	515,080.00					515,080			
	LOCAL NETWORK REVENUE	\$539,893.28		\$230.63	\$0.00		\$539,663			
5081	END USER REVENUE - LDIER	\$13,594.16					\$13,594			
5082.2	SW ACCESS REVENUE - INTERSTATE	0.00					0			
5082.3	SW ACCESS REVENUE - TS INTERSTATE	118,878.63					118,879			
5082.4	SW ACCESS REVENUE - CCL INTERSTATE	311,452.00					311,452			
5082.5	NECA TRUEUP	0.00					0			
5083.1	SPECIAL ACCESS REV - INTERSTATE	0.00					0			
5084.3	SW ACCESS REVENUE - INTRASTATE	32,256.98					32,257			
5084.4	NETWORK ACCESS - AMM	66,398.60					66,399			
	NETWORK ACCESS REVENUE	\$542,580.37		\$0.00	\$0.00		\$542,580			
5100.1	LONG DISTANCE MESSAGE	\$16,807.27					\$16,807			
5100.3	OTHER REVENUE	150.00					150			
	LONG DISTANCE REVENUE	\$16,957.27		\$0.00	\$0.00		\$16,957			
5200	MISCELLANEOUS REVENUE	\$0.00					\$0			
5240	SWITCH LEASE TO AMM	\$42,513.00					42,513			
5240.1	ROUTER LEASE TO AMM	\$8,775.00					8,775			
5260.2	OTHER	0.00					0			
5261	COMPLIANCE FEE INCOME	3,263.09					3,263			
5262	REVENUE	0.00					0			
5281	INTERNET REVENUE	0.00					0			
5282	SALE OF NON-REGULATED EQUIPMENT	0.00					0			
5283.1	INTERNET REVENUE	0.00					0			
529000	TECHNICAL SUPPORT REVENUE	188.73					189			
	MISCELLANEOUS REVENUE	\$54,739.82		\$0.00	\$0.00		\$54,740			
5301	UNCOLLECTIBLES	\$0.00					\$0			
	TOTAL OPERATING REVENUES	\$1,154,170.74		\$230.63	\$0.00		\$1,153,940			
6112	VEHICLE EXPENSE	\$0.00					\$0			
6112.1	GENERAL ADMIN VEHICLE EXPENSE	\$4,667.87			46.39	18	4,621			
6114	OTHER WORK EQUIPMENT EXPENSE	0.00					0	6110	4,621	USF LN335
6121	LAND AND BUILDING EXPENSE	8,929.75			40.43	18	8,889			
6121.2	BUILDING RENT	19,786.81			107.92	18	19,679			
6122	FURNITURE/ARTWORK EXPENSE	0.00					0			
6123	OFFICE EQUIPMENT EXPENSE	0.00					0			
6124	GENERAL PURPOSE COMPUTER EXPENSE	0.00					0	6120	28,568	USF LN350 / LSS LN30
6212	DIGITAL ELECTRONIC EXPENSE	31,837.70			3,628.70	19	28,209	6210	28,209	USF LN365 / LSS LN34
6232	CIRCUIT EQUIPMENT EXPENSE	18,957.96			518.63	20	18,439			
6232.1	CIRCUIT EQUIPMENT EXPENSE - LEASE	0.00					0			
6232.2,.3	ACCESS CHARGE	230.63			230.63	15	0	6230	18,439	USF LN395 / LSS LN36
6362.1	NETWORK MONITORING	2,194.21			2,194.21	1	0			
6362.11	TOLL RESALE	3,918.19			3,918.19	2	0			
6411	POLE EXPENSE	0.00					0			
6421	AERIAL CABLE EXPENSE	0.00					0			
6422	FIBER OPTIC CABLE EXPENSE	3,457.78					3,458			
6422.1	FIBER OPTIC CABLE EXPENSE - LEASE	0.00					0			
6423	BURIED DROP EXPENSE	2,774.70					2,775			
6441	CONDUIT SYSTEMS EXPENSE	0.00					0	6410	6,232	USF LN430 / LSS LN36
	PLANT SPECIFIC OPERATIONS	\$96,755.60		\$0.00	\$10,685.10		\$86,071	Plant Spec	\$86,071	

ALLBAND COMMUNICATIONS COOPERATIVE
REVENUE AND EXPENSE SUMMARY
STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Prepared by FWA, Inc.

7/26/2017

		BALANCES PER BOOKS SYE 12/31/2016	SSA #	SEPARATIONS STUDY ADJUSTMENTS		SSA #	ADJUSTED BALANCES PER STUDY SYE 12/31/2016	PART 36 INPUT ACCOUNTS	PART 36 INPUT TOTALS SYE 12/31/2016	USF/LSS LINE #
				DR.	CR.					
6512	PROVISIONING EXPENSE	\$0.00					\$0			
6531	POWER EXPENSE	\$9,803.65			2,660.14	19, 20	\$7,144			
6532	NETWORK ADMINISTRATION EXPENSE	1,488.81					1,489			
6533	TESTING EXPENSE	3,608.15					3,608			
6534	PLANT OPERATIONS ADMIN EXPENSE	10,133.54					10,134			
6535	ENGINEERING EXPENSE	14,750.86					14,751	6530	\$37,125	USF LN450 / LSS LN38
6540	ACCESS EXPENSE	18,795.68			5,006.92	4	13,789	6540	13,789	LSS LN381
	NETWORK OPERATIONS EXPENSE	\$58,580.69		\$0.00	\$7,667.05		\$50,914	Network	\$50,914	
6561.2112	MOTOR VEHICLES	0.00			0.00	11	0			
6561.2116	OWE	4,920.00			3,349.02	11	1,571			
6561.2121.2	BUILDINGS	13,200.00			794.56	9,12	12,405			
6561.2122.1	FURNITURE	3,360.00			3,360.00	10	0			
6561.2123.2	OFFICE EQUIPMENT	2,040.00			1,325.96	10	714			
6561.2124	GENERAL PURPOSE COMPUTERS	840.00			545.98	10	294	6561.2110	14,984	LSS LN470
6561.2212	DIGITAL SWITCHING	46,920.00			31,083.21	6,19	15,837	6561.2210	15,837	USF LN510 / LSS 470
6561.2232	CIRCUIT EQUIPMENT	33,000.00			4,287.30	20	28,713			
6561.2232.1	CIRCUIT EQUIPMENT	6,000.00			634.01	3,6	5,366	6561.2230	34,079	USF LN520
6561.2423	FIBER OPTIC CABLE	255,240.00			1,677.41	7,14	253,563			
6561.24231	BURIED DROPS	3,840.00			623.61	17	3,216	6561.2423	256,779	USF LN530
6565	AMORTIZATION EXPENSE	2,750.00	12	526.17	342.00	13	2,934	6563.268	2,934	
	DEPRECIATION EXPENSE	\$372,110.00		\$526.17	\$48,023.06		\$324,613	Depreciation	\$324,613	
	PLANT NONSPECIFIC OPERATIONS	\$430,690.69		\$526.17	\$55,690.11		\$375,527	Nonspecific	\$375,527	
6613	ADVERTISING EXPENSE	\$11,109.05					\$11,109	6610	\$11,109	
6622	NUMBER SERVICES	1,081.18					1,081			
6623	CUSTOMER SERVICE EXPENSE	15,555.56			15,555.56	5	0			
6623.1	END USER SERVICE ORDER PROCESSING	668.40		5,185.19		5	5,854			
6623.2	END USER PAYMENT/COLLECTION	0.00		5,185.19		5	5,185			
6623.3	END USER BILLING INQUIRY	0.00		5,185.19		5	5,185			
6623.4	IXC SERVICE ORDER PROCESSING	0.00					0			
6623.5	COIN COLLECTION/ADMIN	0.00					0			
6623.6	TOLL TICKET PROCESSING	0.00					0			
6623.7	OTHER MESSAGE PROCESSING	0.00					0			
6623.8	LOCAL MESSAGE PROCESSING	0.00					0			
6623.9	OTHER BILLING & COLLECTION	0.00					0			
6623.10	END USER ACCESS CHARGE BILLING	0.00					0			
6623.11	OTHER ACCESS CHARGE BILLING	0.00					0			
6627	REVENUE ACCOUNTING (CABS)	6,552.59					6,553	'6620	23,858	LSS LN400
	CUSTOMER OPERATIONS	\$34,966.78		\$15,555.56	15,555.56		\$34,967	Customer	\$34,967	

ALLBAND COMMUNICATIONS COOPERATIVE**REVENUE AND EXPENSE SUMMARY****STUDY FOR THE YEAR ENDED DECEMBER 31, 2016**

Prepared by FWA, Inc.

7/26/2017

	BALANCES PER BOOKS SYE 12/31/2016	SSA #	SEPARATIONS STUDY ADJUSTMENTS		SSA #	ADJUSTED BALANCES PER STUDY SYE 12/31/2016	PART 36 INPUT ACCOUNTS	PART 36 INPUT TOTALS SYE 12/31/2016	USF/LSS LINE #
			DR.	CR.					
6711 EXECUTIVE	\$16,290.53			25.59	18	\$16,265	6710	\$16,265	USF LN535 / LSS LN41
6720 GENERAL AND ADMIN EXPENSE	\$45,208.55					\$45,209			
6720.1 GENERAL AND ADMIN TRS & PUA EXPENSE	\$4,393.31			58.25	18	\$4,335			
6720.2 FOOD - NON REIMBURSABLE	\$421.27			421.27	16	0			
6720.3 GENERAL COMPUTER SOFTWARE EXPEN	\$1,606.32					1,606			
6721 ACCT/FINANCE	\$44,815.19			12.60	18	44,803			
6722 COST STUDY EXPENSE	\$135,548.69					135,549			
6725 LEGAL	\$39,818.22			0.00	18	39,818			USF LN550 / LSS LN42
6725.1 HR LEGAL	\$1,220.74					1,221			
6728 INSURANCE EXPENSE	6,558.63			27.32	18	6,531	6720	\$279,071	
CORPORATE OPERATIONS	\$295,881.45		\$0.00	\$545.03		\$295,336	Corporate	\$295,336	
TOTAL OPERATING EXPENSES (Pre-Tax)	\$858,294.52		\$16,081.73	\$82,475.80		\$791,900	Operating Exp	\$791,900	
7240.3 OPERATING TAXES - AD VALORUM	\$74,012.67			44,201.48	6-11,13,14,19,20	\$29,811	7240 Ad Val	\$29,811	USF LN650 / LSS LN440
7240.4 OPERATING TAXES - OTHER	61.52					62	7240 Other	62	
OPERATING TAXES	\$74,074.19		\$0.00	\$44,201.48		\$29,873	Oper Taxes	\$29,873	
7210 OPERATING ITC - NET	\$0.00					\$0	Amortized ITC	\$0	
7220 OPERATING FIT	0.00			0.00		0		0	
7230 OPERATING STATE/LOCAL TAXES	0.00					0		0	
7250.1 PROVISION FOR DEFERRED FIT	0.00					0		0	
7250.2 PROVISION FOR DEFERRED SIT	0.00					0		0	
7250.3 AMORTIZATION OF EXCESS DEFERRED TAXES	0.00					0		0	
INCOME TAXES	\$0.00		\$0.00	\$0.00		\$0	Income Taxes	\$0	
EQUAL ACCESS EXPENSES	\$0.00					0		0	
TOTAL OPERATING EXPENSES	\$932,368.71		\$16,081.73	\$126,677.27		\$821,773	Operating Exp	\$821,773	
NET OPERATING INCOME (LOSS)	\$221,802.03		\$16,312.36	\$126,677.27					
7300.1 DONATIONS/CHARITABLE CONTRIBUTIONS	\$80.90								
7300.2 DUES/MEMBERSHIP FEES	\$8,284.00								
7310 INTEREST INCOME	(128.87)								
7320 DIVIDEND INCOME	0.00								
7340 ALLOWANCE FOR FUDC	0.00								
7365.1 Equity Income (Loss) - Allband Mulimedia	0.00								
7370 LOBBYING EXPENSE	299.44								
7370.1 SPECIAL CHARGES									
7510 INTEREST ON FUNDED DEBT - RTFC	139.31								
7510 INTEREST ON FUNDED DEBT - RUS	252,481.82								
7991.1 NONREGULATED INCOME	(14,400.33)								
7991.2 NONREGULATED EXPENSES	11,732.73	1 thru 20	110,364.91						
799102 CUSTOMER PREMISE WORK - NONREG	6,901.59								
799162 VOICEMAIL EXPENSE	0.00								
5000 COST OF GOODS SOLD	0.00								
7991.41 NONREGULATED EXPENSE - ISP Discount	0.00								
NONOPERATING (INCOME)/EXPENSES	\$265,390.59		\$110,364.91	\$0.00					
NET INCOME (LOSS)	(\$43,588.56)		\$126,677.27	\$126,677.27					

Allband Communications Cooperative, Inc.
Separations Study Adjustments (SSAs) – Summary by Account

ALLBAND COMMUNICATIONS COOPERATIVE

SEPARATIONS STUDY ADJUSTMENTS (SSA'S) - SUMMARY BY ACCOUNT
STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Acct # Description		SSA #1	SSA #2	SSA #3	SSA #4	SSA #5	SSA #6	SSA #7	SSA #8	SSA #9	SSA #10	SSA #11	SSA #12	SSA #13	SSA #14	SSA #15	SSA #16	SSA #17	SSA #18	SSA #19	SSA #20	Total SSAs 12/31/2016
REVENUE																						
1	5001 BASIC AREA REVENUE - ACCESS LINES															230.63						230.63
2	5060 OTHER LOCAL SERVICE REVENUE																					-
3	5069 OTHER LOCAL EXCHANGE REVENUE - USF																					-
4	5081 END USER REVENUE - LDIER																					-
5	5082.2 SW ACCESS REVENUE - INTERSTATE																					-
6	5082.3 SW ACCESS REVENUE - TS INTERSTATE																					-
7	5082.4 SW ACCESS REVENUE - CCL INTERSTATE																					-
8	5082.5 NECA TRUEUP																					-
9	5083.1 SPECIAL ACCESS REV - INTERSTATE																					-
10	5084.3 SW ACCESS REVENUE - INTRASTATE																					-
11	5084.4 NETWORK ACCESS - AMM																					-
12	5100.1 LONG DISTANCE MESSAGE																					-
13	5100.3 OTHER REVENUE																					-
14	5200 MISCELLANEOUS REVENUE																					-
15	5260.2 OTHER																					-
16	5261 OTHER																					-
17	5262 REVENUE																					-
18	5281 INTERNET REVENUE																					-
19	5282 SALE OF NON-REGULATED EQUIPMENT																					-
20	5283.1 INTERNET REVENUE																					-
21	5283.5 INTERNET ADJUSTMENTS																					-
22	5301 UNCOLLECTIBLES																					-
EXPENSE - PLANT SPECIFIC OPERATIONS																						
23	6112 VEHICLE EXPENSE																		(46.39)			(46.39)
24	6114 OTHER WORK EQUIPMENT EXPENSE																					-
25	6121 LAND AND BUILDING EXPENSE																		(40.43)			(40.43)
26	6121.2 BUILDING RENT													0.00					(107.92)			(107.92)
27	6122 FURNITURE/ARTWORK EXPENSE																					-
28	6123 OFFICE EQUIPMENT EXPENSE																					-
29	6124 GENERAL PURPOSE COMPUTER EXPENSE																					-
30	6212 DIGITAL ELECTRONIC EXPENSE																			(3,628.70)		(3,628.70)
31	6232 CIRCUIT EQUIPMENT EXPENSE																				(518.63)	(518.63)
32	6232.1 CIRCUIT EQUIPMENT EXPENSE - LEASE																					-
33	6232.2 ACCESS CHARGE															(230.63)						(230.63)
34	6362.1 NETWORK MONITORING	(2,194.21)																				(2,194.21)
35	6362.11 TOLL RESALE		(3,918.19)																			(3,918.19)
36	6411 POLE EXPENSE																					-
37	6421 AERIAL CABLE EXPENSE																					-
38	6422 FIBER OPTIC CABLE EXPENSE																					-
39	6422.1 FIBER OPTIC CABLE EXPENSE - LEASE																					-
40	6423 BURIED CABLE EXPENSE																					-
41	6441 CONDUIT SYSTEMS EXPENSE																					-
EXPENSE - PLANT NONSPECIFIC OPERATIONS																						
42	6512 PROVISIONING EXPENSE																					-
43	6531 POWER EXPENSE																			(2,348.96)	(311.18)	(2,660.14)
44	6532 NETWORK ADMINISTRATION EXPENSE																					-
45	6533 TESTING EXPENSE																					-
46	6534 PLANT OPERATIONS ADMIN EXPENSE																					-
47	6535 ENGINEERING EXPENSE																					-
48	6540 ACCESS EXPENSE				(5,006.92)																		(5,006.92)
49	6561.2112 MOTOR VEHICLES											0.00										-
50	6561.2116 OWE										(3,349.02)											(3,349.02)
51	6561.2121.2 BUILDINGS									(268.39)			(526.17)									(794.56)
52	6561.2122.1 FURNITURE										(3,360.00)											(3,360.00)
53	6561.2122.2 ARTWORK																					-
54	6561.2123.2 OFFICE EQUIPMENT										(1,325.96)											(1,325.96)
55	6561.2124 GENERAL PURPOSE COMPUTERS										(545.98)											(545.98)
56	6561.2212 DIGITAL SWITCHING																					-
57	6561.2232 CIRCUIT EQUIPMENT																			(30,001.87)	(4,287.30)	(31,083.21)
58	6561.2232.1 CIRCUIT EQUIPMENT				(306.73)					(327.27)															(634.01)
59	6561.2423 FIBER OPTIC CABLE								(201.52)							(1,475.89)							(1,677.41)
60	6561.24231 BURIED DROPS																		(623.61)			(623.61)
61	6565 AMORTIZATION EXPENSE												526.17	(342.00)								184.17

ALLBAND COMMUNICATIONS COOPERATIVE

SEPARATIONS STUDY ADJUSTMENTS (SSA'S) - SUMMARY BY ACCOUNT
STUDY FOR THE YEAR ENDED DECEMBER 31, 2016

Acct #	Description	SSA #1	SSA #2	SSA #3	SSA #4	SSA #5	SSA #6	SSA #7	SSA #8	SSA #9	SSA #10	SSA #11	SSA #12	SSA #13	SSA #14	SSA #15	SSA #16	SSA #17	SSA #18	SSA #19	SSA #20	Total SSAs 12/31/2016
EXPENSE - CUSTOMER OPERATIONS																						-
62	6613 ADVERTISING EXPENSE																					-
63	6622 NUMBER SERVICES																					-
64	6623 CUSTOMER SERVICE EXPENSE					(15,555.56)																(15,555.56)
65	6623.1 END USER SERVICE ORDER PROCESSING					5,185.19																5,185.19
66	6623.2 END USER PAYMENT/COLLECTION					5,185.19																5,185.19
67	6623.3 END USER BILLING INQUIRY					5,185.19																5,185.19
68	6623.4 IXC SERVICE ORDER PROCESSING																					-
69	6623.5 COIN COLLECTION/ADMIN																					-
70	6623.6 TOLL TICKET PROCESSING																					-
71	6623.7 OTHER MESSAGE PROCESSING																					-
72	6623.8 LOCAL MESSAGE PROCESSING																					-
73	6623.9 OTHER BILLING & COLLECTION																					-
74	6623.10 END USER ACCESS CHARGE BILLING																					-
75	6623.11 OTHER ACCESS CHARGE BILLING																					-
EXPENSE - CORPORATE OPERATIONS																						-
76	6711 EXECUTIVE																	(25.59)				(25.59)
77	6720 GENERAL AND ADMIN EXPENSE																(421.27)	(58.25)				(479.52)
78	6721 ACCT/FINANCE																	(12.60)				(12.60)
79	6722 COST STUDY EXPENSE																					-
80	6725 LEGAL																	0.00				-
81	6728 INSURANCE EXPENSE																	(27.32)				(27.32)
82	7210 OPERATING ITC - NET																					-
83	7220 OPERATING FIT																					-
84	7230 OPERATING STATE/LOCAL TAXES																					-
85	7240.3 OPERATING TAXES - AD VALORUM						(70.19)	(20.06)	(41,709.96)	(26.72)	(98.36)	(527.94)		(31.46)	(146.94)				(1,373.92)	(195.93)		(44,201.48)
86	7240.4 OPERATING TAXES - OTHER																					-
87	7250.1 PROVISION FOR DEFERRED FIT																					-
88	7250.2 PROVISION FOR DEFERRED SIT																					-
89	7250.3 AMORTIZATION OF EXCESS DEFERRED TAXES																					-
90	7360 NONOPERATING EXPENSES																					-
91	75XX FIXED CHARGES																					-
92	7991 NON-REGULATED	2,194.21	3,918.19	306.73	5,006.92	0.00	1,478.80	221.58	41,709.96	295.11	5,330.30	3,876.96		373.46	1,622.83		421.27	623.61	318.50	37,353.45	5,313.03	110,364.91
93	4010.18 ACCTS PAY - FEDERAL UNIV SERV FUND																					-
(Sum of lines 1 through 93)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Separations Study Adjustments (SSAs):

- | | | | |
|-----|--|-----|---|
| #1 | To reclassify nonregulated internet expense | #11 | To allocate a portion of vehicle & other work equipment expenses to nonregulated activities per time study. |
| #2 | To reclassify toll resale expense to nonregulated. | #12 | To reclassify building depreceation expense to lease hold. |
| #3 | To adjust nonregulated expenses that were inappropriately booked to account 2232.1 | #13 | To allocate a portion of vehicle & other work equipment expenses to nonregulated activities per time study. |
| #4 | To adjust nonregulated expenses from regulated accounts | #14 | To allocate a portion of the C&WF to non-regulated operations |
| #5 | To spread customer service expense | #15 | To reclassify lifeline credit from expense to revenue |
| #6 | To allocate a portion of the COE for CALEA Investment | #16 | To remove non-reimbursable food items from service cost |
| #7 | To allocate a portion of the C&WF for inside wire investment | #17 | To remove depreciation related to non-reg burried drops |
| #8 | To reclassify a portion of property tax to nonregulated ARRA projects | #18 | To allocate ACEWR expenses to non-regulated (Ledger didn't reflect this allocation (Per Joint Expense Allocation Summary 2016 |
| #9 | To allocate a portion of the land and building related expenses to nonregulated activities per time study. | #19 | To reassign Switching Lease costs to AMM |
| #10 | To allocate a portion of the general support asset expenses to nonregulated activities per time study. | #20 | To reassign Circuit Lease costs to AMM |

Allband Communications Cooperative, Inc.
Cost Study for the Year Ended December 31, 2016

ALLBAND COMMUNICATIONS COOPERATIVE
COST STUDY FOR THE YEAR ENDED DEC 31, 2016
INTERSTATE PART 69 Prepared 7/13/2017

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Account/Category	(a) Total Amount	(b) Total Allocated LDI	(c) CL - EU	(d) CL - CXR	(e) Switch	(f) Interstate Info	(g) Allocated Amount Transport	(h) Eq Acc	(i) Spcl Acc	(j) B&C	(k) IX - Msg	(l) IX - PL
1. Rate Base	4,139,205	1,112,802	1,008,053	0	4,005	0	4,462	0	96,282	0	0	0
2. Rate of Return	9.2057%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%	11.1250%
3. Return on Rate Base	381,043	123,799	112,146	0	446	0	496	0	10,711	0	0	0
4. Interest During Construction	0	0	0	0	0	0	0	0	0	0	0	0
5. ITC and Excess Deferred Tax Amortization	0	0	0	0	0	0	0	0	0	0	0	0
6. Other Adjustments	0	0	0	0	0	0	0	0	0	0	0	0
7. Net Return	381,043	123,799	112,146	0	446	0	496	0	10,711	0	0	0
14. State Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
15. Federal Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
16. Operating Expenses	821,773	366,879	197,613	0	86,211	0	1,262	0	75,317	6,475	0	0
17. Uncollectibles	0	0	0	0	0	0	0	0	0	0	0	0
18. Revenue Requirement (Pre-MAG)	1,202,817	490,678	309,759	0	86,657	0	1,759	0	86,029	6,475	0	0
MAG SHIFT FOR JANUARY THROUGH JUNE 2016												
19. Line Port Shift			10,439									
20. TIC Allocation			0	0					0			
21. Revenue Requirement After MAG Adjustment		508,378	320,198	0	95,676				86,029	6,475	0	0
MAG SHIFT FOR JULY THROUGH DECEMBER 2016												
22. Frozen Line Port Shift			10,439									
23. Frozen TIC Allocation			0	0					0			
24. Revenue Requirement After Frozen CAF		503,594	320,198	0	90,892				86,029	6,475	0	0
25. Revenue Requirement After MAG Allocation		505,986	320,198	0	93,284	0	0	0	86,029	6,475	0	0
Frozen ICLS Based on FCC Waiver order limited Allband Support to USF received from 1/1/2012 to 6/30/2012												
Amount Disallowed:				371,028	0							

ALLBAND COMMUNICATIONS COOPERATIVE
COST STUDY FOR THE YEAR ENDED DEC 31, 2016
INTERSTATE PART 69 Prepared 7/13/2017

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Account/Category	(a) Total Amount	(b) Total Allocated LDI	(c) CL - EU	(d) CL - CXR	(e) Switch	(f) Interstate Info	(g) Allocated Transport	(h) Amount Eq Acc	(i) Spcl Acc	(j) B&C	(k) IX - Msg	(l) IX - PL
Account 2001 - Plant in Service:												
1. Account 2410 - Cable and Wire Facilities	5,682,790	1,434,195	1,412,588	0	0	0	5,389	0	16,219	0	0	0
2. Account 2310 - Information Orig/Term Equip	0	0	0	0	0	0	0	0	0	0	0	0
3. Account 2210 - Switching Equipment	129,214	109,832	0	0	109,832	0	0	0	0	0	0	0
4. Account 2220 - Operator Systems	0	0	0	0	0	0	0	0	0	0	0	0
5. Account 2230 - Transmission Systems	392,452	270,244	39,521	0	0	0	1,813	0	228,909	0	0	0
6. Account 2110 - Land and Support Assets	267,344	78,175	62,570	0	4,733	0	310	0	10,562	0	0	0
7. Account 2680 - Tangible Assets	10,523	3,077	2,463	0	186	0	12	0	416	0	0	0
8. Account 2690 - Intangible Assets	0	0	0	0	0	0	0	0	0	0	0	0
9. Total Account 2001 - Plant in Service	6,482,323	1,895,523	1,517,142	0	114,751	0	7,525	0	256,106	0	0	0
11. Equal Access Investment	0	0	0	0	0	0	0	0	0	0	0	0
12. Account 2002 - Property Held for Future Use	0	0	0	0	0	0	0	0	0	0	0	0
13. Account 2003 - Plt. Und. Const., Short Term	50,305	14,710	11,774	0	891	0	58	0	1,987	0	0	0
14. Account 2004 - Plt. Und. Const., Long Term	0	0	0	0	0	0	0	0	0	0	0	0
15. Account 2005 - Plant Acquisition Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
16. Account 1220 - Materials and Supplies	123,088	31,064	24,863	0	1,881	0	123	0	4,197	0	0	0
17. Rural Telephone Bank Stock	0	0	0	0	0	0	0	0	0	0	0	0
18. Cash Working Capital	30,825	16,115	12,898	0	976	0	64	0	2,177	0	0	0
19. Gross Rate Base	6,686,542	1,957,412	1,566,677	0	118,497	0	7,770	0	264,468	0	0	0
20. Account 3100 - Accumulated Depreciation	2,547,337	844,610	558,624	0	114,493	0	3,308	0	168,185	0	0	0
21. Account 3200 - Deprec. on Prop. Held for Fut. Use	0	0	0	0	0	0	0	0	0	0	0	0
22. Account 3400 - Accumulated Amort. on Tang. Assets	0	0	0	0	0	0	0	0	0	0	0	0
23. Account 3500 - Accumulated Amort. on Intangibles	0	0	0	0	0	0	0	0	0	0	0	0
24. Account 3600 - Other Accumulated Amortization	0	0	0	0	0	0	0	0	0	0	0	0
25. Account 4040 - Customer Deposits	0	0	0	0	0	0	0	0	0	0	0	0
25. Account 4100 - Current Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
26. Account 4310 - OPEB	0	0	0	0	0	0	0	0	0	0	0	0
27. Account 4340 - Non-current Deferred Income Tax	0	0	0	0	0	0	0	0	0	0	0	0
28. Equal Access Reserves	0	0	0	0	0	0	0	0	0	0	0	0
29. Total Reserves	2,547,337	844,610	558,624	0	114,493	0	3,308	0	168,185	0	0	0
30. Net Rate Base	4,139,205	1,112,802	1,008,053	0	4,005	0	4,462	0	96,282	0	0	0

Note 1 : Separated based upon total expense less non-cash items. Allocated based upon "Other Investment" (Part 69.309)

Note 2 : Allocated based upon relative Telephone Plant in Service

ALLBAND COMMUNICATIONS COOPERATIVE
COST STUDY FOR THE YEAR ENDED DEC 31, 2016
INTERSTATE PART 69 Prepared 7/13/2017

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INTERSTATE PART 99 Prepared 7/13/2017														
Account/Category	(a) Total Amount	(b) Total Allocated LDI	(c) CL - EU	(d) CL - CXR	(e) Switch	(f) Interstate Allocated Amount			(g) Transport Eq Acc	(h) Eq Acc	(i) Spcl Acc	(j) B&C	(k) IX - Msg	(l) IX - PL
Plant Specific Operations Expense:														
1. Account 6110 - Network Support Expense	4,621	1,351	1,082	0	82	0	5	0	183	0	0	0	0	0
2. Account 6120 - General Support Expense	28,568	8,354	6,686	0	506	0	33	0	1,129	0	0	0	0	0
3. Account 6210 - Switching Expense	28,209	20,553	0	0	20,553	0	0	0	0	0	0	0	0	0
4. Account 6220 - Operator Systems Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Account 6230 - Transmission Expense	18,439	13,435	1,965	0	0	0	90	0	11,380	0	0	0	0	0
6. Account 6310 - Info Orig/Term Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7. Account 6410 - Cable and Wire Facilities Exp.	6,232	1,573	1,549	0	0	0	6	0	18	0	0	0	0	0
8. Total Plant Specific Operations Expense	86,071	45,265	11,282	0	21,140	0	135	0	12,709	0	0	0	0	0
Plant Non-Specific Expense:														
9. Account 6510 - Oth. Prop., Plt. and Eq. Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Account 6530 - Network Operations Expense	37,125	10,856	8,689	0	657	0	43	0	1,467	0	0	0	0	0
11. Account 6540 - Access Expense	13,789	13,789	13,789	0	0	0	0	0	0	0	0	0	0	0
12. Account 6560 - Deprec. of Plant in Service	321,679	106,114	70,767	0	13,727	0	418	0	21,202	0	0	0	0	0
13. Account 6560 - Amort. of Plant in Service	2,934	858	687	0	52	0	3	0	116	0	0	0	0	0
14. Account 6560 - Amortization of Acq. Adj.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15. Equal Access Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. Total Plant Non-Specific Operations Expense	375,527	131,617	93,931	0	14,436	0	465	0	22,785	0	0	0	0	0
Customer Operations Expense:														
19. Account 6610 - Marketing Expense	11,109	3,846	3,078	0	233	0	15	0	520	0	0	0	0	0
20. Account 6620 - Services Expense	23,858	6,670	1,320	0	994	0	65	0	2,218	2,073	0	0	0	0
21. Total Customer Operations Expense	34,967	10,515	4,398	0	1,226	0	80	0	2,737	2,073	0	0	0	0
Corporate Operations Expense:														
22. Account 6710 - Exec. and Planning Expense	16,265	7,409	3,515	0	2,121	0	24	0	1,558	191	0	0	0	0
23. Account 6720 - General and Admin. Expense	279,071	163,337	77,495	0	46,759	0	524	0	34,348	4,211	0	0	0	0
24. Total Corporate Operations Expense	295,336	170,746	81,010	0	48,880	0	548	0	35,906	4,402	0	0	0	0
25. Account 7100 - Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Taxes														
27. Account 7200 - Other Operating Taxes	29,873	8,735	6,991	0	529	0	35	0	1,180	0	0	0	0	0
Other Expenses														
28. Account - 7370 Special Charges (Allowed Portion Only)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29. Account - 7540 Interest on Customer Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30. Total Other Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31. Total Operating Expense excluding Income Taxes														
	821,773	366,879	197,613	0	86,211	0	1,262	0	75,317	6,475	0	0	0	0

ALLBAND COMMUNICATIONS COOPERATIVE
COST STUDY FOR THE YEAR ENDED DEC 31, 2016
INTERSTATE PART 69 Prepared 7/13/2017

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Account/Category	(a) Total Amount	(b) Total Allocated LDI	(c) CL - EU	(d) CL - CXR	(e) Switch	(f) Interstate Info	(g) Allocated Amount Transport	(h) Eq Acc	(i) Spcl Acc	(j) B&C	(k) IX - Msg	(l) IX - PL
Separations Factors												
1. Account 2001 - Plant in Service	1.000000	1.000000	0.800382	0.000000	0.060538	0.000000	0.003970	0.000000	0.135111	0.000000	0.000000	0.000000
2. Net Telephone Plant	1.000000	1.000000	0.907419	0.000000	0.002762	0.000000	0.004010	0.000000	0.085808	0.000000	0.000000	0.000000
3. Plant Under Construction	1.000000	1.000000	0.800382	0.000000	0.060538	0.000000	0.003970	0.000000	0.135111	0.000000	0.000000	0.000000
4. Plant Spec. Ops. Exp., excl. Gen. & Ntwk. Sup.	52,881	35,560	3,514	0	20,553	0	96	0	11,397	0	0	0
5. Network Operations Expense	37,125	10,856	8,689	0	657	0	43	0	1,467	0	0	0
6. Customer Operations Expense	34,967	10,515	4,398	0	1,226	0	80	0	2,737	2,073	0	0
7. Big 3 Expense (Lines 4 thru 6)	124,972	56,931	16,601	0	22,436	0	220	0	15,601	2,073	0	0
8. Distribution of Line 7	1.000000	1.000000	0.291596	0.000000	0.394091	0.000000	0.003857	0.000000	0.274038	0.036418	0.000000	0.000000
Access Factors												
9. Plant Specific Operations Expense		45,265	11,282	0	21,140	0	135	0	12,709	0	0	0
10. Plant Non-specific Operations Expense		24,645	22,478	0	657	0	43	0	1,467	0	0	0
11. Customer Operations Expense		10,515	4,398	0	1,226	0	80	0	2,737	2,073	0	0
12. Big 3 Expense (Lines 9 thru 11)		80,425	38,158	0	23,024	0	258	0	16,913	2,073	0	0
13. Distribution of Line 12	1.000000	0.474448	0.000000	0.000000	0.286274	0.000000	0.003209	0.000000	0.210290	0.025779	0.000000	0.000000
14. IO/T, C&WF, COE, Gen. Supp., & Equal Access	1.000000	0.800382	0.000000	0.000000	0.060538	0.000000	0.003970	0.000000	0.135111	0.000000	0.000000	0.000000
15. Account 2001 - Plant in Service (IX Carrier)	1.000000	0.000000	0.000000	0.000000	0.303268	0.000000	0.019886	0.000000	0.676846	0.000000	0.000000	0.000000
Income Adjustments for Taxes												
16. ITC Amortization	0	0	0	0	0	0	0	0	0	0	0	0
17. Excess Deferred Tax Amortization	0	0	0	0	0	0	0	0	0	0	0	0
18. Fixed Charges	0	0	0	0	0	0	0	0	0	0	0	0
19. Depreciation Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
20. Allowance for Funds Used During Construction	0	0	0	0	0	0	0	0	0	0	0	0
21. Other Adjustments for Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
22. Total Income Adjustments	0	0	0	0	0	0	0	0	0	0	0	0

Allband Communications Cooperative, Inc.

Calculation of Projected HCLS – Inputs

ALLBAND COMMUNICATIONS COOPERATIVE CALCULATION OF PROJECTED HCLS UNIVERSAL SERVICE FUND REPORT OF DATA BALANCE FOR THE YEAR ENDED DEC 31, 2016		FW&A Inc. 07/21/17 PRO-FORMA INPUT
DESCRIPTION	DEC 31, 2015	DEC 31, 2016
II. WORKING LOOPS		
060 Total Loops (Cat 1.1,1.2 & 1.3)	153	156
070 Cat.1.3 (Excl. Cat 1.3 TWX)	153	156
080 Reserved	0	0
III. INVE.EXP.& TAX. REGULATED ONLY		
1. NET PLANT INVESTMENT		
160 ACCT 2001 Tel. Pl.In Service	6,845,672	6,461,859
170 ACCT 1220 Materials & Supplies	122,755	123,421
190 ACCT 3100 Acc. Depreciation	2,704,021	2,711,194
195 ACCT 3400 Acc. Amor. Tangible	0	0
200 Reserved	0	0
205 Reserved	0	0
210 ACCT 4340 Net NonCurrent Deferred Operation Income Taxes	0	0
220 Net Plant Investment (SUM Lines 160+170-190-210)	4,264,406	3,874,086
2. SELECTED PLANT ACCOUNTS		
230 ACCT 2210 CO Sw. Equipment	434,057	124,391
235 ACCT 2220 Operating System Equ.	0	0
240 ACCT 2230 CO Tran. Equipment	424,981	402,788
245 Total CO Equipment (SUM Lines 230- 240)	859,038	527,180
250 Circuit Equipment Category 4.13	155,778	160,392
255 ACCT 2410 C&W Facilities Total	5,676,863	5,688,716
260 ACCT 3100 (2210) Acc. Depr. CO Switching Equipment	396,171	155,234
265 ACCT 3100 (2220) Acc. Depr. Operator System Equipment	0	0
270 ACCT 3100 (2230) Acc. Depr. CO Transmission Equipment	285,850	290,227
275 ACCT 3100 (2210-2230) Acc. Depr. CO Equipment (SUM Lines 260-270)	682,021	445,461
280 ACCT 3100 (2410) Acc. Depr. C&W Facilities	1,908,178	2,162,460
285 Reserved	0	0
290 Reserved	0	0
295 Reserved	0	0
300 Reserved	0	0
305 Reserved	0	0

ALLBAND COMMUNICATIONS COOPERATIVE CALCULATION OF PROJECTED HCLS UNIVERSAL SERVICE FUND REPORT OF DATA BALANCE FOR THE YEAR ENDED DEC 31, 2016		FW&A Inc. 07/21/17 PRO-FORMA INPUT
DESCRIPTION	DEC 31, 2015	DEC 31, 2016
310 ACCT 4340 (2210) Net NonCurrent Deferred Operating Income Taxes CO Switching Equipment	0	0
315 ACCT 4340 (2220) Net NonCurrent Deferred Operating Income Taxes Operator System Equipment	0	0
320 ACCT 4340 (2230) Net NonCurrent Deferred Operating Income Taxes CO Transmission Equipment	0	0
325 ACCT 4340(2210-2230)Net NonCurr Deferred Operating Income Taxes CO Equipment (SUM Lines 310-320)	0	0
330 ACCT 4100 (2410) Net NonCurrent Deferred Operating Income Taxes Cable & Wire Facilities	0	0
3. EXPENSES - PLANT SPECIFIC EXPENSE		
335 ACCT 6110 Net.Support Exp.Total	0	4,621
340 ACCT 6110 Benefits Portion of Network Support Expense	0	98
345 ACCT 6110 Rents Portion of Network Support Expense	0	3,871
350 General Support Expense Total	28,421	28,568
355 ACCT 6120 Benefits Portion General Support Expenses	778	404
360 ACCT 6120 Rents Portion General Support Expenses	19,002	24,650
365 ACCT 6210 Central Office Exp. - Switching Total	12,705	28,209
370 ACCT 6210 Ben. Por. of CO Exp. - Switching	0	1,041
375 ACCT 6210 Rents Por. of CO Exp. - Switching	0	2,214
380 ACCT 6220 CO Exp. Operator Syst -Total	0	0
385 ACCT 6220 Ben. Por. of CO Exp. - Operator Systems	0	0
390 ACCT 6220 Rents Por. of CO Exp. - Operator Systems	0	0
395 ACCT 6230 Central Office Exp. -Transmission Equipment Total	13,872	18,439
400 ACCT 6230 Ben. Por. of CO Exp. -Transmission Equipment	0	501
405 ACCT 6230 Rents Por. of CO Exp. -Transmission Equipment	0	1,119

ALLBAND COMMUNICATIONS COOPERATIVE CALCULATION OF PROJECTED HCLS UNIVERSAL SERVICE FUND REPORT OF DATA BALANCE FOR THE YEAR ENDED DEC 31, 2016		FW&A Inc. 07/21/17 PRO-FORMA INPUT
DESCRIPTION	DEC 31, 2015	DEC 31, 2016
410 ACCT 6210-6230 C0 Exp. Total (SUM Lines 365+380+395)	26,577	46,648
415 Reserved	0	0
420 Reserved	0	0
425 Reserved	0	0
430 ACCT 6410 C&W Facilities Exp. -Total	10,235	6,232
435 ACCT 6410 Ben. Por. of C&W Facilities Expense	92	399
440 ACCT 6410 Rents Por. of C&W Facilities Expense	0	1,120
445 Total Plant Specific Expense (SUM Lines 335 + 350 + 365 + 380 + 395 + 415 + 430)	65,232	86,071
4. PLANT NON SPECIFIC EXPENSE		
450 ACCT 6530 Net. Oper. Exp. Total	49,891	37,125
455 ACCT 6530 Benefits Portion Network Operations Expense	4,397	3,884
5. CUSTOMER OPERATIONS EXPENSE		
465 Reserved	0	0
470 Reserved	0	0
480 Reserved	0	0
485 Reserved	0	0
500 Reserved	0	0
505 Reserved	0	0
6. DEPRECIATION & AMORTIZATION EXP.		
510 ACCT 6560(2210)Dep.& Amort.Exp. -CO Switching Equipment	45,806	15,837
515 ACCT 6560(2220)Dep.& Amort.Exp. -Operator Systems Equipment	0	0
520 ACCT 6560(2230)Dep.& Amort.Exp. -CO Transmission Equipment	39,389	34,079
525 ACCT 6560 (2210-2230) Dep.& Amort. CO Equip. (SUM Lines 510-520)	85,195	49,915
530 ACCT 6560(2410)Dep.& Amort. Exp -Cable Wire Facilities	258,068	256,779

ALLBAND COMMUNICATIONS COOPERATIVE CALCULATION OF PROJECTED HCLS UNIVERSAL SERVICE FUND REPORT OF DATA BALANCE FOR THE YEAR ENDED DEC 31, 2016		FW&A Inc. 07/21/17 PRO-FORMA INPUT
DESCRIPTION	DEC 31, 2015	DEC 31, 2016
7. CORPORATE OPERATING EXPENSES		
535 ACCT 6710 Executive & Planning Expense - To	50,618	16,265
540 ACCT 6710 Benefits Portion	6,740	3,063
-Executive & Planning Expense		
550 ACCT 6720 Gen.Admin.Exp. Total	251,840	279,071
555 ACCT 6720 Benefits Portion	4,860	11,078
-General Administrative Expense		
565 Total Corporate Operations Exp. (SUM Lines 535+550)	302,458	295,336
8. OTHER EXPENSES & REVENUES		
600 Ben. Por. of All Op. Exp. Total	19,173	23,557
610 Rents Por. of All Plant Specific Exp. Total	19,022	32,975
620 Reserved	0	0
630 Reserved	0	0
9. TAXES		
650 ACCT 7200 Operating Taxes	(58,953)	29,873
655 Reserved	0	0
IV. PART36 COST STUDY DATA REG.ONLY		
700 Cost Study AVERAGE Cable & Wire Facilities ACCT 2410	5,693,082	5,682,790
710 Cost Study AVERAGE Cable & Wire Facilities Cat 1 - Total Exch. Line C&WF Excluding Wide Band Switching Expense	5,660,644	5,650,352
V. AMOR.TANGIBLE ASSETS REG. ONLY		
NOTE: Refer to USF Data Instr.		
800 ACCT 2680 Amortization Tangible Assets	0	0
805 ACCT 2680(2230)Amor.Tang.Assets	0	0
-CO Transmission Equipment		
810 ACCT 2680(2230)Amor.Tang.Assets	0	0
-CO Transmission Equipment		
Allocated to Category 4.13		
815 ACCT 2680(2410)Amor.Tang.Assets	0	0
Cable & Wire Facilities		
820 ACCT 2680(2410)Amor.Tang.Assets	0	0
C&W Fac.Alloc.to Cat.1		
830 ACCT 6560(2680)Dep.& Amort.Exp.	0	0
-Amortizable Tangible Assets		

Allband Communications Cooperative, Inc.
Loop Cost and Expense Adjustment Algorithm

ALLBAND COMMUNICATIONS COOPERATIVE**UNIVERSAL SERVICE FUND****LOOP COST AND EXPENSE ADJUSTMENT ALGORITHMS**

		DEC 31, 2015 AMOUNT	DEC 31, 2016 AMOUNT
DESCRIPTION			
AL1	C&WF plus C&WF portion of Capital Leases assigned to Cat. 1	5,644,518	5,656,245
AL2	Central Office Equipment plus COE portion of Capital Leases assigned to Category 4.13	155,778	160,392
AL3	"A" Factor C&WF. C&WF Cat 1 divided by Total C&WF	0.99430236	0.994292041
AL4	"B" Factor COE. COE Cat 4.13 divided by Total COE.	0.18134015	0.304245876
AL5	"C" Factor C&WF (Gross Allocator) C&WF Category 1 divided by Total Plant in Service	0.824538209	0.875327876
AL6	"D" Factor COE (Gross Allocator) COE Category 4.13 divided by Total Plant in Service	0.022755703	0.024821372
AL7	Material & Supplies assigned to C&WF Cat. 1	101,216.44	108,034.10
AL8	Material & Supplies assign to COE Cat. 4.13	2,793.38	3,063.49
AL9	Accumulated Depreciation plus Net Noncurrent Deferred Operating Income Taxes assign to C&WF Cat. 1	1,897,306.34	2,150,116.33
AL10	Accumulated Depreciation plus Net Noncurrent Deferred Operating Income Taxes assign to COE Cat 4.13	123,677.86	135,529.66
AL11	"E" Factor C&WF (Net Allocator) NET C&WF Cat. 1 divided by NET TPIS	0.902453539	0.932907228
AL12	"F" Factor COE (Net Allocator) NET COE Cat. 4.13 divided by NET TPIS	0.008182525	0.007208415
AL13	C&WF Maintenance Expense Assigned to Cat. 1	10,084.83	4,686.24
AL14	COE Maintenance Expense assigned to Cat. 4.13	4,819.42	12,708.97
AL15	Network Support Expenses plus General Support Expenses assigned to C&WF Cat. 1 and COE Cat. 4.13	7,320.78	3,750.53
AL16	Network Operations Expenses assigned to C&WF Cat. 1 and COE Cat 4.13	38,546.20	29,922.00
AL17	Depreciation and Amortization Expense assigned to C&WF Cat 1	256,597.79	255,313.30
AL18	Depreciation and Amortization Expense assigned to COE Cat 4.13	15,449.25	15,186.58
AL19	Corporate Operations Expense assign to C&WF Cat. 1 and COE Cat. 4.13, limited in accordance with 36.621(a)(4)	256,270.55	265,846.85
AL20	Operating Taxes assigned to C&WF Cat. 1 and COE Cat. 4.13	-49,950.68	26,889.90
AL21	Benefits other than Corporate Operations Expense assigned to C&WF Cat. 1 and COE Cat. 4.13	6,416.13	8,476.04
AL22	Rents assigned to C&WF Cat. 1 and COE Cat. 4.13	16,117.45	29,682.12
AL23	Return Component for C&WF Cat. 1	418,516.59	384,004.80
AL24	Return Component for COE Cat. 4.13	3,794.68	2,967.14
AL25	Total Unseparated Costs	983,983.00	1,039,434.48
AL26	Study Area Cost per Loop (SACPL)	\$6,431.26	\$6,663.04

Allband Communications Cooperative, Inc.

Calculation of Projected HCLS

ALLBAND COMMUNICATIONS COOPERATIVE
CALCULATION OF PROJECTED HCLS
UNIVERSAL SERVICE FUND REPORT OF DATA
BALANCE FOR THE YEAR ENDED DEC 31, 2016

Calculation of High Cost Fund Support

	CURRENT YEAR			
National Average Unseparated Revenue Requirement Per Loop	647.87 Per NECA Online System			
Revenue Requirement Per Loop	\$6,663.04			
Company Access Lines	156			
	Allocation Amount	Interstate Allocation	Intrastate Allocation	Universal Service Fund
0 - 115% of National Average	745.05 100%	186.26 25%	558.79 75%	- 0%
115% - 150% of National Average	226.75 100%	56.69 25%	22.68 10%	147.39 65%
Over 150% of National Average	5,691.24 100%	1,422.81 25%	- 0%	4,268.43 75%
TOTAL	6,663.04	1,665.76	581.46	4,415.82
Calculated Support Annual Amount	\$688,867.58			
Pro Rata Factor	0.817962 Amount Per NECA website			
Estimated Annual USF HCL:	\$563,467.50			

	PREVIOUS YEAR			
	647.87 Per NECA Online System			
	\$6,431.26			
	153			
	Allocation Amount	Interstate Allocation	Intrastate Allocation	Universal Service Fund
	745.05 100%	186.26 25%	558.79 75%	- 0%
	226.75 100%	56.69 25%	22.68 10%	147.39 65%
	5,459.46 100%	1,364.86 25%	- 0%	4,094.59 75%
	6,431.26	1,607.82	581.46	4,241.98
	\$649,023.36			
	0.817962 Amount Per NECA website			
	\$530,876.45			