

TrioTel Communications, Inc.
SAC 391682 - TriCounty

Progress Report of 5 Year Plan – Milestone Certification

To be in compliance with the Milestone Certification of providing upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream:

- TrioTel Communications certifies that it has taken reasonable steps to provide upon a reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream with latency suitable for real-time applications, including Voice over Internet Protocol.
- The Company provides usage capacity that is reasonably comparable to comparable offerings in urban areas.
- The Company certifies that requests for such service are met within a reasonable amount of time.

**TrioTel Communications, Inc.
SAC 391682 - TriCounty**

Progress Report on 5 Year Plan – Community Anchor Institutions

TrioTel Communications does not have any newly served community anchor institutions because all anchor institutions had broadband service available to them prior to 2014.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0517
	PERIOD ENDING December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0517 PERIOD ENDING December, 2014
INSTRUCTIONS- See RUS Bulletin 1744-2	

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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PART E. TOLL DATA

1. Study Area ID Code(s) a. [REDACTED] b. [REDACTED] c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one) Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
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PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	[REDACTED]
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	[REDACTED]
8. Gross Additions to Telecom. Plant (1 thru 7)	[REDACTED]

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0517 PERIOD ENDING December, 2014
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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

YES NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	██████
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	██████
4. Land and support assets - Garage and other work equipment	██████
5. Land and support assets - Buildings	██████
6. Land and support assets - Furniture and Office equipment	██████
7. Land and support assets - General purpose computers	██████
8. Central Office Switching - Digital	██████
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	██████
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	██████
22. Cable and wire facilities - Underground cable - Fiber	██████
23. Cable and wire facilities - Buried cable - Metal	██████
24. Cable and wire facilities - Buried cable - Fiber	██████
25. Cable and wire facilities - Conduit systems	██████
26. Cable and wire facilities - Other	

REDACTED - FOR PUBLIC INSPECTION

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION SD0517
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	
[REDACTED]	
[REDACTED]	
[REDACTED]	

REDACTED - FOR PUBLIC INSPECTION

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>SD0517</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2014</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

REDACTED – FOR PUBLIC INSPECTION

Five – Year Plan Progress Report TrioTel Communications, Inc. – TriCounty

SAC 391682

Year 2014 Federal Universal Service Receipts:

Interstate Access Support	\$	[REDACTED]
Interstate Common Line Support	\$	[REDACTED]
Connect America Fund Support	\$	[REDACTED]
High Cost Loop Support	\$	[REDACTED]
Safety Net Additive Support	\$	[REDACTED]
Safety Valve Loop Cost Adjustment	\$	[REDACTED]
TOTAL	\$	[REDACTED]

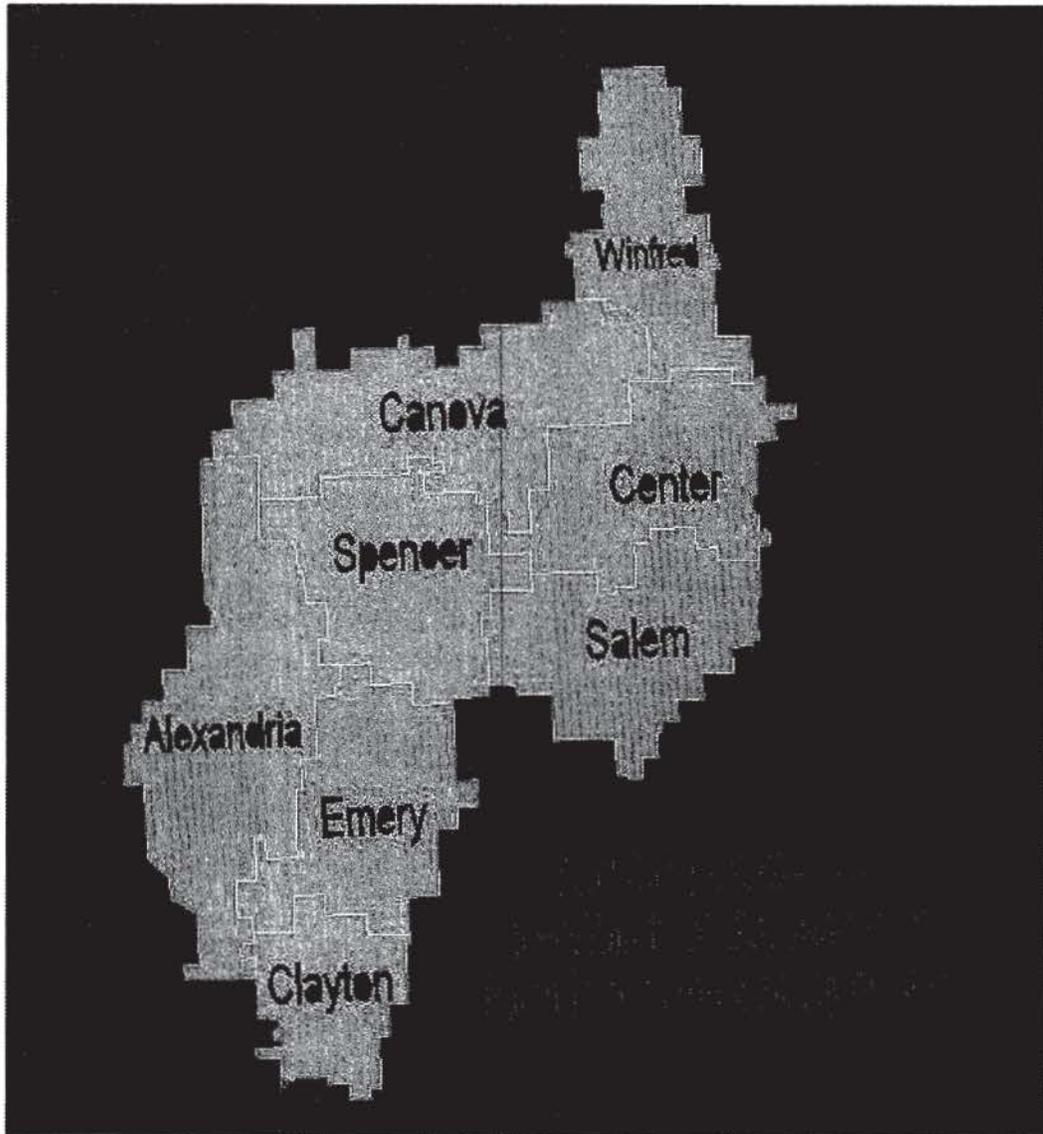
Expenditures For Provision, Maintenance, and Upgrading Of Facilities and Services Supported By Federal Universal Service Funding:

	<u>Actual</u>
	2014
Plant Specific Operations Expenses	
Network support (Accts 6110-16)	\$ [REDACTED]
General support (Accts 6120-24)	\$ [REDACTED]
Central office (Accts 6210-6232)	\$ [REDACTED]
Cable and wire facilities (Accts 6410-41)	\$ [REDACTED]
Network operations (Accts 6530-35)	\$ [REDACTED]
Depreciation and amortization (Accts 6560-65)	\$ [REDACTED]
Customer Operations Expenses	
Customer services (Accts 6611-23)	\$ [REDACTED]
Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ [REDACTED]
General and administrative (Accts 6720-28)	\$ [REDACTED]
Total Years Supported Expenses, Before Return on Investment	\$ [REDACTED]
Additions/Capx	
Switching (Acct 2210)	\$ [REDACTED]
Transmission Equipment (Acct 2230)	\$ [REDACTED]
Cable and wire (Acct 2410)	\$ [REDACTED]
Total	\$ [REDACTED]
Total Supported Expenditures, Before Return on Investment	\$ [REDACTED]

It is estimated that [REDACTED] of the [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

It is estimated that [REDACTED] of the [REDACTED] of universal service funding received in 2014 was used improve *service coverage* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015 Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service coverage in 2015.

It is estimated that [REDACTED] of the [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network at speeds that meet or exceed 10Mbps/1Mbps as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to improve service capacity in 2015.



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Five – Year Plan Progress Report **TrioTel Communications, Inc. – TriCounty**

SAC 391682

Year 2014 Federal Universal Service Receipts:

Interstate Access Support	\$	[REDACTED]
Interstate Common Line Support	\$	[REDACTED]
Connect America Fund Support	\$	[REDACTED]
High Cost Loop Support	\$	[REDACTED]
Safety Net Additive Support	\$	[REDACTED]
Safety Valve Loop Cost Adjustment	\$	[REDACTED]
TOTAL	\$	[REDACTED]

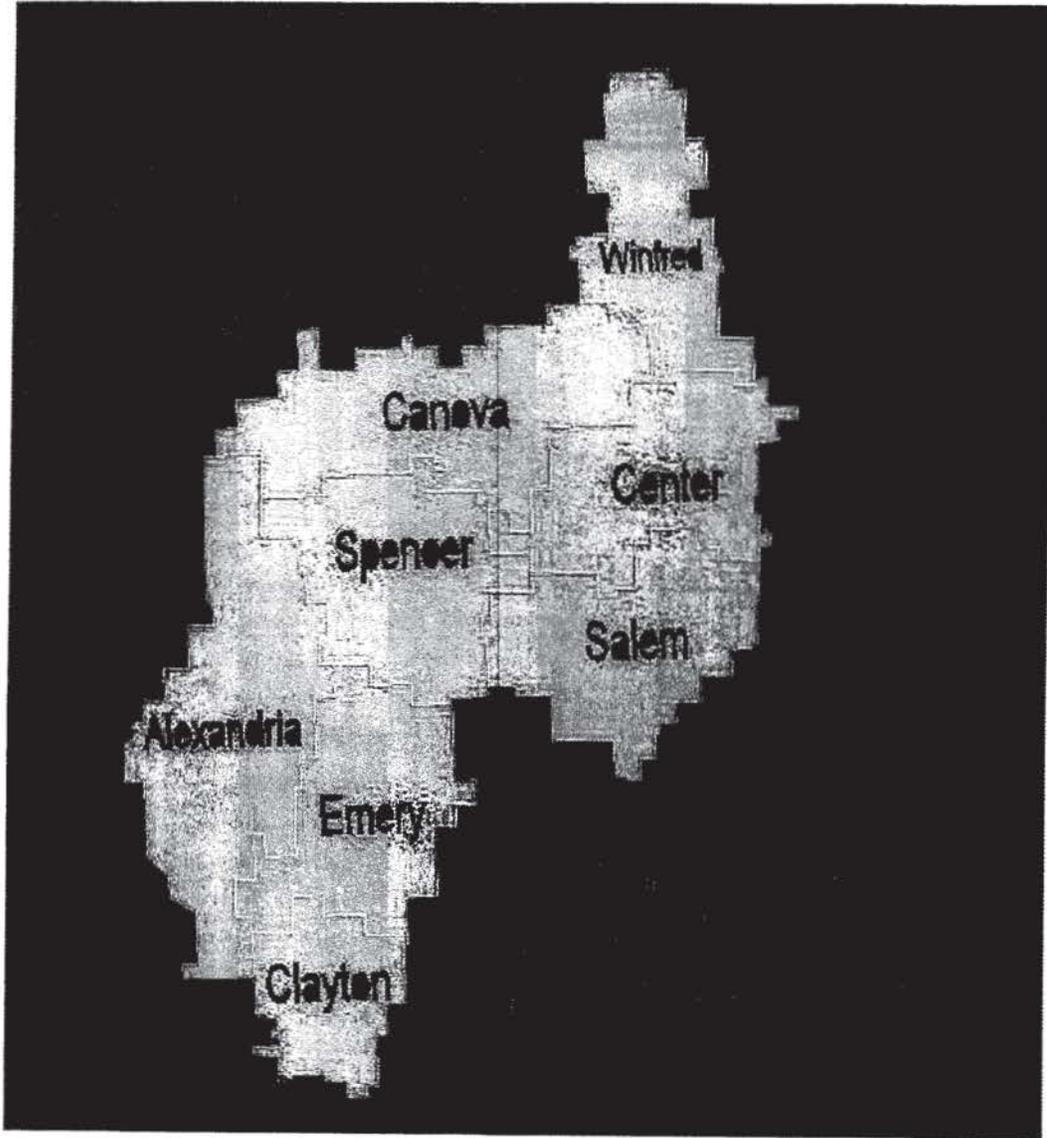
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Corporate Operations Expenses	
Executive and planning (Accts 6710-12)	\$ [REDACTED]
General and administrative (Accts 6720-28)	\$ [REDACTED]
Total Years Supported Expenses, Before Return on Investment	\$ [REDACTED]
Additions/Capx	
Switching (Acct 2210)	\$ [REDACTED]
Transmission Equipment (Acct 2230)	\$ [REDACTED]
Cable and wire (Acct 2410)	\$ [REDACTED]
Total	\$ [REDACTED]
Total Supported Expenditures, Before Return on Investment	\$ [REDACTED]

It is estimated that [REDACTED] of the [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the same [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality in 2015.

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Safety Valve Loop Cost Adjustment	\$	
TOTAL	\$	

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