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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012Open to Public
Inspection**A For the 2012 calendar year, or tax year beginning 07/01/12, and ending 06/30/13**

B Check if applicable	C Name of organization	D Employer identification number	
<input type="checkbox"/> Address change	Mid-Atlantic Broadband Communities Corporation	27-0076588	
<input type="checkbox"/> Name change	Doing Business As	E Telephone number	
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address)	Room/suite	434-570-1311
<input type="checkbox"/> Terminated	1100 Confroy Drive	Ste 4	
<input type="checkbox"/> Amended return	City, town or post office, state, and ZIP code		
<input type="checkbox"/> Application pending	South Boston VA 24592	G Gross receipts 12,806,321	
F Name and address of principal officer			
Thomas Deriso 1100 Confroy Drive, Suite 4 South Boston VA 24592			
H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)			
I Tax-exempt status. <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (4) <input type="checkbox"/> (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website ► www.mbc-va.com			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ► L Year of formation 2004 M State of legal domicile VA			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities See Schedule O		
Revenue	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	19
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
	Prior Year Current Year		
	8 Contributions and grants (Part VIII, line 1h)	19,437,338	5,071,092
	9 Program service revenue (Part VIII, line 2g)	5,855,159	7,728,777
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,555	6,452
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	25,300,052	12,806,321	
Expenses			
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0	
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,707,660	1,946,060	
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	
b Total fundraising expenses (Part IX, column (D), line 25) ► 0	7,632,387	8,613,603	
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) ► RECEIVED	9,340,047	10,559,663	
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 26)	15,960,005	2,246,658	
19 Revenue less expenses. Subtract line 18 from line 12			
Net Assets or Fund Balances			
20 Total assets (Part X, line 16)	821	Beginning of Current Year	
21 Total liabilities (Part X, line 26)		End of Year	
22 Net assets or fund balances. Subtract line 21 from line 20	OGDEN, UT	72,808,958 71,506,641	
		9,254,994 5,739,019	
		63,553,964 65,767,622	

Part II Signature Block

Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here	<i>Gregory J. Lutz</i>	<i>2/14/14</i>			
	Signature of officer	Date			
	<i>GREGORY J. LUTZ, TREASURER</i>				
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Prepare <i>devin duncan</i>	Date 02/14/14	Check <input type="checkbox"/> if self-employed	PTIN P01249521
	Devin Duncan				
	Firm's name ► KPMG LLP		Firm's EIN ► 13-5565207		
	345 Park Avenue				
	New York, NY 10154-0102		Phone no. 212-758-9700		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes NoFor Paperwork Reduction Act Notice, see the separate instructions.
DAA

Form 990 (2012)

G13 3/

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

 Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

 Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 7,004,719 including grants of\$) (Revenue \$ 7,728,777)

Mid-Atlantic Broadband Communities Corporation ("MBCC") conducts the following activities with respect to the fiber optic network: optical transport services, co-location services and dark fiber leases. Through optical transport services, MBCC provides dedicated optical transport internet services to rural unserved and underserved areas of southern Virginia. The open access fiber-optic network provides access for rural Virginia and promotes economic development, private investment and job creation. Through co-location services, MBCC leases rack space for locating network servers and electronic storage equipment to interconnect with telecommunications network providers. Through dark fiber leases, MBCC provides fiber free of charge to the Virginia Department of Transportation

4b (Code) (Expenses \$ including grants of\$) (Revenue \$)

4c (Code) (Expenses \$ including grants of\$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ 0 including grants of\$) (Revenue \$)

4e Total program service expenses ► 7,004,719

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d	X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b	X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21		X
22		X
23	X	
24a		X
24b		
24c		
24d		
25a	X	
25b	X	
26	X	
27	X	
28a	X	
28b	X	
28c	X	
29	X	
30	X	
31	X	
32	X	
33	X	
34	X	
35a	X	
35b		
36	X	
37	X	
38	X	

Form 990 (2012)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 16	
1b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c <input checked="" type="checkbox"/>	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 19	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</i>	2b <input checked="" type="checkbox"/>	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a <input checked="" type="checkbox"/>	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b <input type="checkbox"/>	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a <input checked="" type="checkbox"/>	
b If "Yes," enter the name of the foreign country ► <i>See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts</i>	5a <input checked="" type="checkbox"/>	
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5b <input checked="" type="checkbox"/>	
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5c <input type="checkbox"/>	
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	6a <input checked="" type="checkbox"/>	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6b <input type="checkbox"/>	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	7a <input type="checkbox"/>	
7 Organizations that may receive deductible contributions under section 170(c).	7b <input type="checkbox"/>	
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7c <input type="checkbox"/>	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7d <input type="checkbox"/>	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7e <input type="checkbox"/>	
d If "Yes," indicate the number of Forms 8282 filed during the year	7f <input type="checkbox"/>	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7g <input type="checkbox"/>	
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7h <input type="checkbox"/>	
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	8 <input type="checkbox"/>	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	9a <input type="checkbox"/>	
9 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9b <input type="checkbox"/>	
10 Section 501(c)(7) organizations. Enter	10a <input type="checkbox"/>	
a Initiation fees and capital contributions included on Part VIII, line 12	10b <input type="checkbox"/>	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	11a <input type="checkbox"/>	
11 Section 501(c)(12) organizations. Enter	11b <input type="checkbox"/>	
a Gross income from members or shareholders	12a <input type="checkbox"/>	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	12b <input type="checkbox"/>	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	13a <input type="checkbox"/>	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	13b <input type="checkbox"/>	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.	13c <input type="checkbox"/>	
a Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O</i>	14a <input checked="" type="checkbox"/>	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	14b <input type="checkbox"/>	
c Enter the amount of reserves on hand		
14a Did the organization receive any payments for indoor tanning services during the tax year?		
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions. Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year
 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O

1b Enter the number of voting members included in line 1a, above, who are independent

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Did the organization have members or stockholders?

7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

	1a	1b	Yes	No
2		10		<input checked="" type="checkbox"/>
3				<input checked="" type="checkbox"/>
4			<input checked="" type="checkbox"/>	
5			<input checked="" type="checkbox"/>	
6			<input checked="" type="checkbox"/>	
7a			<input checked="" type="checkbox"/>	
7b			<input checked="" type="checkbox"/>	
8a			<input checked="" type="checkbox"/>	
8b			<input checked="" type="checkbox"/>	
9			<input checked="" type="checkbox"/>	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

10a Did the organization have local chapters, branches, or affiliates?

b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?

b Describe in Schedule O the process, if any, used by the organization to review this Form 990

12a Did the organization have a written conflict of interest policy? If "No," go to line 13

b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done

13 Did the organization have a written whistleblower policy?

14 Did the organization have a written document retention and destruction policy?

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official

b Other officers or key employees of the organization

If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

	Yes	No
10a	<input checked="" type="checkbox"/>	
10b		
11a	<input checked="" type="checkbox"/>	
12a	<input checked="" type="checkbox"/>	
12b	<input checked="" type="checkbox"/>	
12c	<input checked="" type="checkbox"/>	
13		<input checked="" type="checkbox"/>
14	<input checked="" type="checkbox"/>	
15a	<input checked="" type="checkbox"/>	
15b	<input checked="" type="checkbox"/>	
16a	<input checked="" type="checkbox"/>	
16b		<input checked="" type="checkbox"/>

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **None**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply

Own website Another's website Upon request Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **GREGORY LYTZ**

1100 CONFROY DRIVE, SUITE 4

VA 24592

434-570-1311

SOUTH BOSTON

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee"

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or Individual Trustee	Institutional Trustee	Officer	Key Employee	Highest Compensated			
(1) ERNEST R LAIL	1.00								
DIRECTOR, CHAIRMAN	0.00	X		X			3,650	0	0
(2) BRYAN DAVID	1.00								
DIRECTOR	0.00	X					2,600	0	0
(3) WANDA JEFFRESS	1.00								
DIRECTOR	0.00	X					2,500	0	0
(4) GARY WALKER	1.00								
DIRECTOR	0.00	X					1,650	0	0
(5) DAVID HUDGINS	1.00								
DIRECTOR, VICE CHAIR	0.00	X		X			700	0	0
(6) MARK HEATH	1.00								
DIRECTOR	0.00	X					0	0	0
(7) EARVING BLYTHE	1.00								
DIRECTOR	0.00	X					0	0	0
(8) DUANE DAHLQUIST	1.00								
DIRECTOR	0.00	X					0	0	0
(9) BEN DAVENPORT	1.00								
DIRECTOR	0.00	X					0	0	0
(10) EDWARD HODGES	1.00								
DIRECTOR	0.00	X					0	0	0
(11) FRANK MOORE	1.00								
DIRECTOR (12/31/2012)	0.00	X					0	0	0

Form 990 (2012) **Mid-Atlantic Broadband Communities 27-0076588**

Page 8

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Former officer or director	Individual trustee	Institutional trustee	Officer	Key employee			
(12) THOMAS DERISO	40.00								
PRESIDENT & CEO	0.00			X			221,485	0	68,600
(13) GRAHAM RAMSEY	40.00								
SECRETARY	0.00			X			140,215	0	50,000
(14) GREGORY LYTZ	40.00								
TREASURER	0.00			X			125,000	0	46,000
(15)									
(16)									
(17)									
(18)									
(19)									
1b Sub-total							497,800		164,600
c Total from continuation sheets to Part VII, Section A									
d Total (add lines 1b and 1c)							497,800		164,600

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►3

	Yes	No
3	3	X
4	4	X
5	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
RACO, INC GRETNNA	PO BOX 265 VA 24557 CONSTRUCTION	1,787,832
S & N COMMUNICATIONS PITTSBURGH	PO BOX 643530 PA 15264 CONSTRUCTION	1,719,854
BETTER CABLE SYSTEMS ROXBORO	PO BOX 1117 NC 27573 CONSTRUCTION	1,506,662
LAMBERTS CABLE SPLICING SHARPSBURG	PO BOX 563 NC 27878 CONSTRUCTION	532,647
NICHOLS CONSTRUCTION CHRISTIANSBURG	455 INDUST DR VA 24073 CONSTRUCTION	300,145

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►

9

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	1b Membership dues	1b				
	1c Fundraising events	1c				
	1d Related organizations	1d				
	1e Government grants (contributions)	1e	5,071,092			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	0			
	g Noncash contributions included in lines 1a-1f		\$			
h Total. Add lines 1a-1f		►	5,071,092			
Program Service Revenue	2a Broadband Services Revenue	Busn Code 517000	7,728,777	7,728,777	0	
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		►	7,728,777		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		6,452	0	6,452	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	(i) Real	(ii) Personal				
	6a Gross rents					
	b Less rental exps					
	c Rental inc or (loss)					
d Net rental income or (loss)		►				
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
b Less cost or other basis & sales exps						
c Gain or (loss)						
d Net gain or (loss)		►				
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c)						
See Part IV, line 18	a					
b Less direct expenses	b					
c Net income or (loss) from fundraising events		►				
9a Gross income from gaming activities.						
See Part IV, line 19	a					
b Less direct expenses	b					
c Net income or (loss) from gaming activities		►				
10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory		►				
Miscellaneous Revenue	Busn Code					
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		►	12,806,321	7,728,777	0	
12 Total revenue. See instructions		►			6,452	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	699,822		699,822	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	878,146		878,146	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	56,645		56,645	
9 Other employee benefits	212,407		212,407	
10 Payroll taxes	99,040		99,040	
11 Fees for services (non-employees)				
a Management				
b Legal	85,449		85,449	
c Accounting	125,526		125,526	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	235,909		235,909	
12 Advertising and promotion	176,160		176,160	
13 Office expenses	62,748		62,748	
14 Information technology	33,643		33,643	
15 Royalties				
16 Occupancy	219,344		219,344	
17 Travel	197,290		197,290	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	33,592		33,592	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	5,048,534	5,048,534		
23 Insurance	41,185		41,185	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a NETWORK OPERATION	1,956,185	1,956,185		
b COMMUNITY SUPPORT	156,288	0	156,288	
c BUSINESS DEVELOPMENT	149,466	0	149,466	
d OTHER	92,284	0	92,284	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	10,559,663	7,004,719	3,554,944	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
	1 Cash—non-interest bearing	3,411,538	1	3,191,796
	2 Savings and temporary cash investments	1,500,000	2	1,500,000
	3 Pledges and grants receivable, net	4,639,491	3	811,134
	4 Accounts receivable, net	607,945	4	815,699
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	157,550	7	
	8 Inventories for sale or use	345,720	8	112,632
	9 Prepaid expenses and deferred charges		9	234,699
Assets	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 89,890,996		
	b Less accumulated depreciation	10b 25,129,451	62,087,730	10c 64,761,545
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	58,984	15	79,136
	16 Total assets. Add lines 1 through 15 (must equal line 34)	72,808,958	16	71,506,641
Liabilities	17 Accounts payable and accrued expenses	5,965,794	17	1,949,215
	18 Grants payable		18	
	19 Deferred revenue	1,536,850	19	1,435,553
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	1,752,350	23	2,354,251
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	9,254,994	26	5,739,019
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	5,384,546	27	7,607,187
	28 Temporarily restricted net assets	58,136,418	28	58,160,435
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	33,000	30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	63,553,964	33	65,767,622
	34 Total liabilities and net assets/fund balances	72,808,958	34	71,506,641

Form 990 (2012)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	12,806,321
2 Total expenses (must equal Part IX, column (A), line 25)	2	10,559,663
3 Revenue less expenses Subtract line 2 from line 1	3	2,246,658
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	63,553,964
5 Net unrealized gains (losses) on investments	5	
6 Donated services and use of facilities	6	
7 Investment expenses	7	
8 Prior period adjustments	8	
9 Other changes in net assets or fund balances (explain in Schedule O)	9	-33,000
10 Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	65,767,622

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	<input checked="" type="checkbox"/>
2b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	<input checked="" type="checkbox"/>
2c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	<input checked="" type="checkbox"/>
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	<input checked="" type="checkbox"/>
3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	<input checked="" type="checkbox"/>

Form **990** (2012)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
 ► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2012Open to Public
Inspection

Name of the organization

**Mid-Atlantic Broadband Communities
Corporation**

Employer identification number

27-0076588**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
2a	
2b	
2c	
2d	

a Total number of conservation easements
 b Total acreage restricted by conservation easements
 c Number of conservation easements on a certified historic structure included in (a)
 d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year
 ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
 ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$
 (ii) Assets included in Form 990, Part X ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$
 b Assets included in Form 990, Part X ► \$

Schedule D (Form 990) 2012 **Mid-Atlantic Broadband Communities 27-0076588**

Page 2

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

Yes	No
3a(i)	
3a(ii)	
3b	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		270,088	64,799	205,289
c Leasehold improvements	0	83,071	11,785	71,286
d Equipment		79,912,822	25,052,867	54,859,955
e Other		9,625,015		9,625,015
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))			►	64,761,545

Schedule D (Form 990) 2012

Schedule D (Form 990) 2012 **Mid-Atlantic Broadband Communities 27-0076588**

Page 3

Part VII Investments—Other Securities. See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		

Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ►

Part VIII Investments—Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ►

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ►

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ►

2. FIN 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Schedule D (Form 990) 2012 **Mid-Atlantic Broadband Communities 27-0076588**

Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1 Total revenue, gains, and other support per audited financial statements	1	12,806,321
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a Net unrealized gains on investments	2a	
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIII)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	12,806,321
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII)	4b	
c Add lines 4a and 4b	4c	
5 Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	12,806,321

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1 Total expenses and losses per audited financial statements	1	10,559,663
2 Amounts included on line 1 but not on Form 990, Part IX, line 25		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIII)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	10,559,663
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII)	4b	0
c Add lines 4a and 4b	4c	
5 Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	10,559,663

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information

Schedule D, Part X, Line 11 - Uncertain Tax Positions

The Corporation has analyzed filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, including the Corporation's status as a tax exempt entity. The Corporation recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Corporation believes its income tax filing positions, including its status as a tax exempt entity will be sustained on audit and does not anticipate any adjustments that will result in a material change to its financial position. Therefore, no reserves for uncertain tax positions, nor interest and penalties have been recorded in the financial statements.

Part XIII Supplemental Information (continued)

SCHEDULE J
(Form 990)
Department of the Treasury
Internal Revenue Service
Compensation Information
For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ► Complete if the organization answered "Yes" to Form 990,
 Part IV, line 23.
 ► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012Open to Public
Inspection

Name of the organization

**Mid-Atlantic Broadband Communities
Corporation**Employer identification number
27-0076588**Part I Questions Regarding Compensation**

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?
b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?
b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2012

Schedule J (Form 990) 2012 **Mid-Atlantic Broadband Communities 27-0076588**
Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
THOMAS DERISO	(i) 170,000	(ii) 50,000	(iii) 1,485	25,700	42,900	290,085	0
1 PRESIDENT & CEO	(i) 0	(ii) 0	(iii) 0	0	0	0	0
GRAHAM RAMSEY	(i) 123,500	(ii) 15,000	(iii) 1,715	18,800	31,200	190,215	0
2 SECRETARY	(i) 0	(ii) 0	(iii) 0	0	0	0	0
GREGORY LYTTZ	(i) 115,000	(ii) 10,000	(iii) 0	17,250	28,750	171,000	0
3 TREASURER	(i) 0	(ii) 0	(iii) 0	0	0	0	0
4	(i) (ii) (iii)						
5	(i) (ii) (iii)						
6	(i) (ii) (iii)						
7	(i) (ii) (iii)						
8	(i) (ii) (iii)						
9	(i) (ii) (iii)						
10	(i) (ii) (iii)						
11	(i) (ii) (iii)						
12	(i) (ii) (iii)						
13	(i) (ii) (iii)						
14	(i) (ii) (iii)						
15	(i) (ii) (iii)						
16	(i) (ii) (iii)						

Schedule J (Form 990) 2012 Mid-Atlantic Broadband Communities 27-0076588

Page 3

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information

Part I, Line 7 – Non-Fixed Payments Provided

Under the terms of his employment agreement, the President may be awarded a discretionary performance bonus each year based on successful achievement of the performance indicators set forth solely by the board of directors.

In addition, other officers of the organization may be awarded a discretionary performance bonus each year based on successful achievement of the performance indicators set forth solely by the board of directors.

SCHEDULE O
(Form 990 or 990-EZ)

 Department of the Treasury
 Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ
 Complete to provide information for responses to specific questions on
 Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012Open to Public
Inspection
 Mid-Atlantic Broadband Communities
 Corporation

 Employer identification number
27-0076588
Form 990 - Organization's Mission or Most Significant Activities

THE CORPORATION IS ORGANIZED EXCLUSIVELY FOR SOCIAL WELFARE PURPOSES WITHIN THE MEANING OF SECTION 501(C) (4) OF THE INTERNAL REVENUE CODE, INCLUDING, BUT NOT LIMITED TO PROMOTING ECONOMIC DEVELOPMENT, LESSENING THE BURDENS OF GOVERNMENT, AND REVITALIZING ECONOMICALLY DISTRESSED RURAL AREAS BY CONSTRUCTING AND OPERATING A PUBLICLY FUNDED FIBER-OPTIC NETWORK FOR THE BENEFIT OF THE COMMUNITIES AND CITIZENS OF SOUTHERN VIRGINIA. ADDITIONALLY, THE CORPORATION IS BRIDGING THE DIGITAL DIVIDE IN RURAL AREAS WHERE COMMERCIAL PROVIDERS HAVE NOT FOUND IT TO BE ECONOMICALLY FEASIBLE TO INVEST.

Form 990, Part III, Line 4a - First Accomplishment

for government needs and in exchange for right of way access. In rare situations, unused fibers may be leased to network providers for internet access to certain rural areas.

Form 990, Part VI, Line 4 - Significant Changes to Organizational Documents

On July 16, 2012, the Corporation's board and members collectively voted to convert the entity from a tax-exempt 501(c) (12) cooperative to a 501(c) (4) non-profit organization. The transition culminated early in 2013 when the Internal Revenue Service approved the formal application and granted the Corporation 501(c) (4) tax exempt status retro-actively to its inception. In connection with the Corporation's conversion to a Not-For-Profit Entity, the Corporation changed its Articles of Incorporation and Bylaws to conform to the requirements of a 501(c) (4) non-profit organization and a Virginia

Schedule O (Form 990 or 990-EZ) (2012)

Page 2

Name of the organization

Mid-Atlantic Broadband Communities

Employer identification number

27-0076588

non-stock corporation.

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990
THE PREPARED FORM 990 IS REVIEWED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS
PRIOR TO BEING FILED WITH THE IRS.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy

An annual request for disclosure of potential conflicts of interest is completed by all officers and directors to determine if there are any significant risks to the organization. After disclosure of A Financial Interest and all material facts relating to a Financial Interest, and after any discussion with an Interested Person, he/she shall recuse himself/herself while the Financial Interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.

Form 990, Part VI, Line 15a - Compensation Process for Top Official
COMPENSATION REQUESTS FOR ALL OFFICERS WERE SUBMITTED TO THE INDEPENDENT
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS FOR REVIEW, CONSIDERATION
AND RECOMMENDATION TO THE FULL BOARD OF DIRECTORS. COMPARABILITY DATA WAS
USED TO ESTABLISH COMPENSATION FOR THESE POSITIONS. AFTER DELIBERATION,
THE FULL BOARD VOTED AND APPROVED THE PROPOSED COMPENSATION REQUEST.
THE DELIBERATIONS AND APPROVAL PROCESS ARE DOCUMENTED IN THE COMMITTEE AND
FULL BOARD MEETING MINUTES. THIS PROCESS WAS LAST UNDERTAKEN DURING THE
FISCAL YEAR 2013.

Form 990, Part VI, Line 15b - Compensation Process for Officers

Schedule O (Form 990 or 990-EZ) (2012)

Page 2

Name of the organization

Mid-Atlantic Broadband Communities

Employer identification number

27-0076588**SEE NARRATIVE ABOVE AS IT APPLIES TO OTHER OFFICERS OF THE ORGANIZATION.**

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation
FINANCIAL STATEMENTS, GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICIES
ARE NOT REQUIRED TO BE DISCLOSED. ACCORDINGLY, THESE DOCUMENTS ARE NOT
AVAILABLE TO THE PUBLIC AT THIS TIME.

Form 990, Part XI, Line 9 - Other Changes in Net Assets Explanation
RETURN OF MEMBERS' CONTRIBUTION TO CONFORM WITH TAX EXEMPT STATUS UNDER 501
(c) (4) - \$33,000

Form 990, Part XIII, Line 1 - Change in Accounting Method Explanation
In fiscal year 2013, the Corporation converted from a 501(c)(12) cooperative to a 501(c)(4) not-for-profit organization. In connection with the Corporation's conversion to a not-for-profit entity, the corporation elected to change its accounting policies to be consistent with the Financial Accounting Standards Board Accounting Standards Codification 958, Not-for-Profit Entities. These changes in accounting principles are retrospective for all prior periods presented, and specifically affect Part I, Part X and Part XI.

SCHEDULE R
(Form 990)

 Department of the Treasury
 Internal Revenue Service

Related Organizations and Unrelated Partnerships

Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

 OMB No. 1545-0047
2012
Open to Public
Inspection

 Name of the organization
Mid-Atlantic Broadband Communities
Corporation

 Employer identification number
27-0076588
Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?
(1)	Making Better Communities Corp 1100 Confrroy Drive, Suite 4 South Boston VA 24592	45-5296725	Charity	VA	501c3	11a	MBCC
(2)							X
(3)							
(4)							
(5)							

 For Paperwork Reduction Act Notice, see the Instructions for Form 990.
 DAA

Schedule R (Form 990) 2012

Schedule R (Form 990) 2012 Mid-Atlantic Broadband Communities 27-0076588

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate alloc?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership
(1)										
(2)										
(3)										
(4)										

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp., S corp., or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(15) controlled entity?	(j) Yes	(k) No
(1)										
(2)										
(3)										
(4)										

Schedule R (Form 990) 2012 Mid-Atlantic Broadband Communities 27-0076588

Page 3

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)

- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)

- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses

- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Making Better Communities Corp	b	1,000	Cash Contribution
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2012 Mid-Atlantic Broadband Communities 27-0076588

Page 4

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
									Yes	No	
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											

Schedule R (Form 990) 2012

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).
