

VALLEY COMMUNICATIONS ASSOCIATION

**MONTHLY REPORTS &
FINANCIAL RESULTS**
AS OF NOVEMBER 30, 2018



COMMUNICATIONS SALES DATA

HIGH-SPEED BROADBAND	SPEED	PRICE	NOV18 CUSTOMERS			NOV18 REVENUE		
			TOTAL	VEA	VCA	TOTAL	VEA	VCA
Res Wireless	25 Mgbps	\$49.95	8,209	7,916	293	\$404,387	\$390,257	\$14,131
Res Basic Fiber	Up to 50 Mgbps	\$49.95	382	372	10	\$18,825	\$18,337	\$488
Res Premium Fiber	Up to 100 Mgbps	\$84.95	13	13	-	\$966	\$966	\$0
Res Premium +	Up to 500 Mgbps	\$109.95	3	3	-	\$164	\$164	\$0
Res Platinum	Up to 1 Gbps	\$149.95	-	-	-	\$0	\$0	\$0
Bus Wireless	25 Mgbps	\$49.95	192	177	15	\$9,902	\$9,099	\$803
Bus LT		\$59.95	7	4	3	\$420	\$240	\$180
Bus Micro Business	50 Mgbps/25Mgbps	\$94.95	26	22	4	\$2,459	\$2,079	\$380
Bus Business Lite	75 Mgbps/50 Mgbps	\$149.95	75	65	10	\$10,961	\$9,467	\$1,495
Bus Basic	100 Mgbps/100Mgbps	\$599.95	23	9	14	\$12,439	\$5,400	\$7,039
Bus Premium	500 Mgbps/500Mgbps	\$749.95	10	7	3	\$7,500	\$5,250	\$2,250
Bus Platinum	1 Gbps/1 Gbps	\$1,499.95	5	3	2	\$6,150	\$3,150	\$3,000
Carrier Wholesale - 500 Mg	500 Mgbps/500Mgbps	\$1,200.00	6	1	5	\$7,200	\$1,200	\$6,000
Carrier Wholesale - 1GB	1 Gbps	\$1,800.00	-	-	-	\$0	\$0	\$0
Carrier Bus 10GB	10 Gbps	\$2,500.00	1	-	1	\$2,500	\$0	\$2,500
Carrier Bus1GB	1 Gbps	\$1,850.00	3	-	3	\$5,550	\$0	\$5,550
Carrier Bus20Mb	20 Mbps	\$89.95	-	-	-	\$0	\$0	\$0
Other BB						\$0	\$0	\$0
Total High-Speed Broadband			8,955	8,592	363	\$489,421	\$445,607	\$43,815

IPTV								
Desert		\$39.95	53	53	-	\$1,976	\$1,976	\$0
Valley		\$84.95	114	110	4	\$8,877	\$8,537	\$340
Mountain		\$94.95	156	154	2	\$13,296	\$13,179	\$117
IPTV Discount		(\$5.00)	311	307	4	(\$1,441)	(\$1,421)	(\$20)
Other IPTV						\$5,726	\$5,699	\$27
Total IPTV			323	317	6	\$28,433	\$27,969	\$464

VOIP								
Res VOIP		\$19.95	212	212	-	\$4,255	\$4,255	\$0
Bus Analog		\$19.95	26	23	3	\$946	\$886	\$60
Bus VOIP		\$24.95	45	-	45	\$4,036	\$0	\$4,036
VOIP Discount		(\$5.00)	220	2	218	(\$1,075)	(\$10)	(\$1,065)
Other VOIP						\$262	\$0	\$262
Total VOIP			283	235	48	\$8,424	\$5,131	\$3,293

Router Leased		\$4.95	3,059	-	3,059	\$14,752	\$0	\$14,752
Other						\$0	\$0	\$0

Broadband Vacation Charge		\$5.00	72	68	4	\$287	\$270	\$16
VOIP Vacation Charge		\$5.00	-	-	-	\$0	\$0	\$0
IPTV Vacation Charge		\$5.00	1	1	-	\$3	\$3	\$0
Total Vacation Charge			73	69	4	\$290	\$273	\$16

VALLEY COMMUNICATION ASSOCIATION
CONSOLIDATED INCOME STATEMENT
PERIOD ENDED NOVEMBER 30, 2018

	YTD(NOV)		YTD(NOV)		YTD(NOV)		NOV		2018 VS 2017		2018 VS BUD	
	2017		2018		BUD		2018		Dollars	%	Dollars	%
INTERNET REVENUE	3,150,873	4,978,036	6,579,444	509,013	1,827,163	58.0%	(1,601,407)	-24.3%				
INTERNET OPERATIONS EXPENSE	2,622,171	2,055,706	1,475,208	222,439	566,465	21.6%	(580,498)	-39.4%				
INTERNET MARGINS	528,702	2,922,330	5,104,236	286,574	2,393,628	452.7%	(2,181,906)	-42.7%				
IPTV REVENUE	665	228,539	1,139,722	29,198	227,874	34277.6%	(911,183)	-79.9%				
IPTV OPERATIONS EXPENSE	125,913	637,580	963,240	49,080	(511,667)	-406.4%	325,660	33.8%				
IPTV MARGINS	(125,248)	(409,041)	176,482	(19,883)	(283,793)	-226.6%	(585,523)	-331.8%				
VOIP REVENUE	3,738	54,405	26,251	9,034	50,666	1355.3%	28,154	107.2%				
VOIP OPERATIONS EXPENSE	13,849	252,602	72,103	6,119	(238,754)	-1724.0%	(180,500)	-250.3%				
VOIP MARGINS	(10,110)	(198,198)	(45,852)	2,915	(188,087)	-1860.4%	(152,346)	-332.3%				
VEEK REVENUE	4,791	22,053	83,202	1,972	17,262	360.3%	(61,149)	-73.5%				
SMART HOME REVENUE	-	-	-	-	0	0.0%	0	0.0%				
TOTAL REVENUE	3,160,068	5,283,033	7,828,618	549,217	2,122,965	67.2%	(2,545,585)	-32.5%				
OPERATING EXPENSES	2,761,932	2,945,888	2,510,550	277,638	(183,956)	-6.7%	(435,338)	-17.3%				
OPERATING MARGINS	398,136	2,337,145	5,318,068	271,578	1,939,009	487.0%	(2,980,923)	-56.1%				
MAINTENANCE EXPENSE	76,386	49,157	71,084	1,083	27,229	35.6%	21,927	30.8%				
CONSUMER ACCOUNTS EXPENSE	503,876	279,155	606,246	29,699	224,720	44.6%	327,090	54.0%				
CUSTOMER SERVICE (VEEK) EXPENSE	5,026	6,416	-	1,118	(1,390)	-27.7%	(6,416)	0.0%				
SALES EXPENSE	548,628	476,952	841,080	48,293	71,676	13.1%	364,128	43.3%				
ADMIN AND GENERAL EXPENSE	2,539,202	2,572,859	2,873,830	214,225	(33,657)	-1.3%	300,971	10.5%				
TOTAL OTHER OPERATING EXPENSE	3,673,117	3,384,539	4,392,240	294,418	288,578	7.9%	1,007,701	22.9%				
DEPRECIATION & AMORT EXPENSE	2,629,488	4,097,894	2,135,565	411,863	(1,468,406)	-55.8%	(1,962,329)	-91.9%				
TAX EXPENSE-OTHER	-	45,301	-	42,975	(45,301)	0.0%	(45,301)	0.0%				
INTEREST EXPENSE	842,417	737,246	733,333	58,607	105,171	12.5%	(3,913)	-0.5%				
INT CHARGED TO CONST	-	-	-	-	0	0.0%	0	0.0%				
OTHER DEDUCTIONS	-	750	-	-	(750)	0.0%	(750)	0.0%				
TOTAL COST OF SERVICE	7,145,022	8,265,730	7,261,138	807,863	(1,120,708)	-15.7%	(1,004,592)	-13.8%				
OPERATING MARGINS	(6,746,887)	(5,928,585)	(1,943,070)	(536,285)	818,301	12.1%	(3,985,516)	-205.1%				
NON-OPERATING MARGINS - OTHER	-	365	-	95	365	0.0%	365	0.0%				
NET MARGIN	(6,746,887)	(5,928,221)	(1,943,070)	(536,190)	818,666	12.1%	(3,985,151)	-205.1%				
EBITDA	(3,274,982)	(1,048,144)	925,828	(22,839)	2,226,838	68.0%	(1,973,973)	-213.2%				

VALLEY COMMUNICATION ASSOCIATION

BALANCE SHEET

AS OF NOVEMBER 30, 2018

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Plant in Service	\$38,167,342	30. Memberships	\$0
2. Construction Work in Progress	\$6,211,527	31. Patronage Capital	\$0
3. Total Plant (1+2)	\$44,378,869	32. Operating Margins - Prior Years	(\$10,195,815)
4. Accum. Prov for Deprec and Amort	\$8,200,480	33. Operating Margins - Current Year	(\$5,932,557)
5. Net Plant (3-4)	\$36,178,389	34. Non-Operating Margins	\$0
14. Total Other Property & Investments	\$0	35. Other Margins & Equities	\$45,000,000
15. Cash-General Funds	\$215,200	36. Total Margins & Equities (30 thru 35)	\$28,871,627
16. Cash-Construction Funds-Trustee	\$0	40. Long-Term Debt - Other(Net)	\$0
17. Special Deposits	\$0	43. Total Long-Term Debt	\$0
18. Temporary Investments	\$0	44. Obligations Under Capital Leases	\$6,949,799
19. Notes Receivable - Net	\$0	46. Total Other Noncurrent Liabilities	\$6,949,799
20. Accounts Receivable Trade	\$383,141	47. Notes Payable	\$0
21. Accounts Receivable - Net Other	\$1,454	48. Accounts Payable	\$2,132,740
23. Materials & Supplies	\$1,249,227	49. InterCompany payable	\$0
24. Prepayments	\$89,766	50. Current Maturities Long-Term Debt	\$0
25. Other Current & Accrued Assets	\$0	52. Current Maturities Capital Leases	\$3,178,279
26. Total Current & Accrued Assets	\$1,938,788	53. Other Current & Accrued Liabilities	\$16,285
28. Deferred Debits	\$3,305,860	54. Total Current & Accrued Liabilities	\$5,327,305
		56. Deferred Credits	\$274,305
29. Total Assets & Other Debits	\$41,423,037	57. Total Liabilities & Other Credits	\$41,423,037

VEA AND VCA STAND-ALONE COMPANIES

MONTHLY REPORTS &
FINANCIAL RESULTS
AS OF NOVEMBER 30, 2018



VALLEY COMMUNICATION ASSOCIATION - BROADBAND ACTIVITIES

NON-CONSOLIDATED INCOME STATEMENT

PERIOD ENDED NOVEMBER 30, 2018

	YTD(NOV)	YTD(NOV)	YTD(NOV)	NOV	2018 VS 2017		2018 VS BUD	
	2017	2018	BUD	2018	Dollars	%	Dollars	%
INTERNET REVENUE	218,746	393,117	687,196	50,045	174,371	79.7%	(294,079)	-42.8%
INTERNET OPERATIONS EXPENSE	762,968	947,319	474,395	153,441	(184,351)	-24.2%	(472,924)	-99.7%
INTERNET MARGINS	(544,222)	(554,202)	212,802	(103,396)	(9,980)	-1.8%	(767,004)	-360.4%
IPTV REVENUE	-	6,008	42,189	890	6,008	0.0%	(36,180)	-85.8%
IPTV OPERATIONS EXPENSE	125,913	637,580	963,240	49,080	(511,667)	-406.4%	325,660	33.8%
IPTV MARGINS	(125,913)	(631,571)	(921,051)	(48,190)	(505,659)	-401.6%	289,479	31.4%
VOIP REVENUE	2,095	17,920	2,040	2,721	15,825	755.4%	15,880	778.3%
VOIP OPERATIONS EXPENSE	13,849	247,899	72,103	6,119	(234,051)	-1690.0%	(175,797)	-243.8%
VOIP MARGINS	(11,754)	(229,979)	(70,063)	(3,398)	(218,226)	-1856.6%	(159,917)	-228.2%
VEEK REVENUE	4,791	22,053	16,945	1,972	17,262	360.3%	5,108	30.1%
TOTAL REVENUE	225,632	439,099	748,371	55,627	213,466	94.6%	(309,272)	-41.3%
OPERATING EXPENSES	902,730	1,832,798	1,509,737	208,640	(930,069)	-103.0%	(323,061)	-21.4%
OPERATING MARGINS	(677,097)	2,710,995	3,006,479	319,894	3,388,093	500.4%	(295,484)	-9.8%
MAINTENANCE EXPENSE	63,781	48,570	11,638	1,083	15,211	23.8%	(36,932)	-317.3%
CONSUMER ACCOUNTS EXPENSE	1,500	135,702	-	23,530	(134,202)	-8946.8%	(135,702)	0.0%
CUSTOMER SERVICE (VEEK) EXPENSE	5,026	6,416	-	1,118	(1,390)	-27.7%	(6,416)	0.0%
SALES EXPENSE	9,657	266,733	18,455	39,241	(257,076)	-2662.0%	(248,278)	-1345.3%
ADMIN AND GENERAL EXPENSE	512,879	1,090,866	254,617	127,826	(577,987)	-112.7%	(836,249)	-328.4%
TOTAL OTHER OPERATING EXPENSE	592,843	1,548,287	284,710	192,798	(955,444)	-161.2%	(1,263,577)	-443.8%
DEPRECIATION & AMORT EXPENSE	2,628,845	4,096,997	2,135,565	411,789	(1,468,152)	-55.8%	(1,961,432)	-91.8%
TAX EXPENSE-OTHER	-	45,301	-	42,975	(45,301)	0.0%	(45,301)	0.0%
INTEREST EXPENSE	842,417	737,246	733,333	58,607	105,171	12.5%	(3,913)	-0.5%
INT CHARGED TO CONST	-	-	-	-	0	0.0%	0	0.0%
OTHER DEDUCTIONS	-	750	-	-	(750)	0.0%	(750)	0.0%
TOTAL COST OF SERVICE	4,064,105	6,428,582	3,153,609	706,169	(2,364,476)	-58.2%	(3,274,973)	-103.8%
OPERATING MARGINS	(4,741,203)	(7,822,281)	(3,914,975)	(859,181)	(3,081,079)	-65.0%	(3,907,306)	-99.8%
NON-OPERATING MARGINS - OTHER	-	365	-	95	365	0.0%	365	0.0%
INTERCOMPANY INCOME FROM VEA	3,326,500	4,479,080	4,107,572	407,133	1,152,580	34.6%	371,508	9.0%
INTERCOMPANY EXPENSE TO VEA	5,949,358	2,589,721	5,500,297	43,598	3,359,637	56.5%	2,910,577	52.9%
NET BROADBAND INTERCOMPANY ACTIVITY	(2,622,858)	1,889,360	(1,392,726)	363,536	4,512,217	172.0%	3,282,085	235.7%
NET PATRONAGE CAPITAL	(7,364,060)	(5,932,557)	(5,307,700)	(495,551)	1,431,503	19.4%	(624,857)	-11.8%
EBITDA	(1,269,941)	(2,942,737)	(1,046,077)	(345,810)	(1,672,796)	-131.7%	(1,896,660)	-181.3%

VALLEY ELECTRIC ASSOCIATION - BROADBAND ACTIVITIES

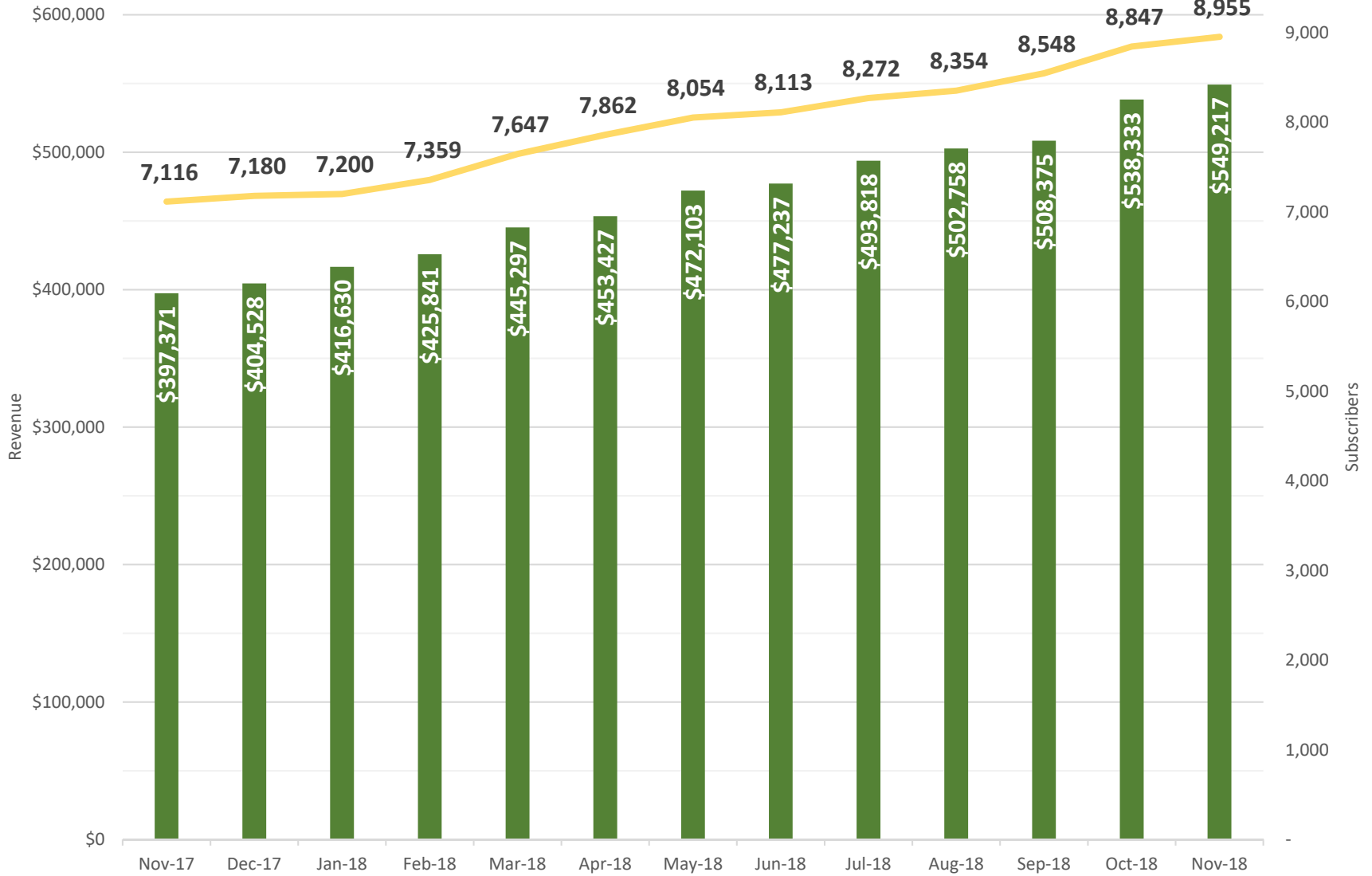
INCOME STATEMENT

PERIOD ENDED NOVEMBER 30, 2018

	YTD(NOV)	YTD(NOV)	YTD(NOV)	NOV	2018 VS 2017		2018 VS BUD	
	2017	2018	BUD	2018	Dollars	%	Dollars	%
	INTERNET REVENUE	2,932,128	4,584,919	5,892,247	458,968	1,652,792	56.4%	(1,307,328)
INTERNET OPERATIONS EXPENSE	1,859,203	1,108,387	1,000,813	68,999	750,816	40.4%	(107,574)	-10.7%
INTERNET MARGINS	1,072,925	3,476,533	4,891,435	389,970	2,403,608	224.0%	(1,414,902)	-28.9%
IPTV REVENUE	665	222,531	1,097,533	28,308	221,866	33373.8%	(875,002)	-79.7%
IPTV OPERATIONS EXPENSE	-	-	-	-	0	0.0%	0	0.0%
IPTV MARGINS	665	222,531	1,097,533	28,308	221,866	33373.8%	(875,002)	-79.7%
VOIP REVENUE	1,643	36,485	24,210	6,313	34,841	2120.0%	12,274	50.7%
VOIP OPERATIONS EXPENSE	-	4,703	-	-	(4,703)	0.0%	(4,703)	0.0%
VOIP MARGINS	1,643	31,782	24,210	6,313	30,138	1833.9%	7,571	31.3%
VEEK REVENUE	-	-	66,257	-	0	0.0%	(66,257)	-100.0%
SMART HOME REVENUE					0	0.0%	0	0.0%
TOTAL VEA BROADBAND REVENUE	2,934,436	4,843,935	7,080,247	493,590	1,909,499	65.1%	(2,236,313)	-31.6%
OPERATING EXPENSES	1,859,203	1,113,090	1,000,813	68,999	746,113	40.1%	(112,277)	-11.2%
VEA BROADBAND MARGINS	2,934,436	4,843,935	7,080,247	493,590	1,909,499	65.1%	(2,236,313)	-31.6%
MAINTENANCE EXPENSE	12,605	587	59,446	-	12,018	95.3%	58,859	99.0%
CONSUMER ACCOUNTS EXPENSE	502,376	143,453	606,246	6,169	358,923	71.4%	462,792	76.3%
CUSTOMER SERVICE (VEEK) EXPENSE					0	0.0%	0	0.0%
SALES EXPENSE	538,971	210,219	822,625	9,052	328,752	61.0%	612,406	74.4%
ADMIN AND GENERAL EXPENSE	2,026,322	1,481,992	2,619,213	86,399	544,330	26.9%	1,137,221	43.4%
TOTAL OTHER OPERATING EXPENSE	3,080,274	1,836,252	4,107,530	101,620	1,244,022	40.4%	2,271,278	55.3%
DEPRECIATION & AMORT EXPENSE	643	897	-	74	(254)	-39.5%	(897)	0.0%
INTEREST EXPENSE	-	-	-	-	0	0.0%	0	0.0%
INT CHARGED TO CONST	-	-	-	-	0	0.0%	0	0.0%
TOTAL COST OF SERVICE	3,080,917	1,837,149	4,107,530	101,695	1,243,768	40.4%	2,270,381	55.3%
OPERATING MARGINS	(2,005,684)	1,893,696	1,971,905	322,896	3,899,380	194.4%	(78,209)	-4.0%
INTERCOMPANY INCOME FROM VCA	5,949,358	2,589,721	5,500,297	43,598	(3,359,637)	-56.5%	(2,910,577)	-52.9%
INTERCOMPANY EXPENSE TO VEA	3,326,500	4,479,080	4,107,572	407,133	(1,152,580)	-34.6%	(371,508)	-9.0%
NET BROADBAND INTERCOMPANY ACTIVITY	2,622,858	(1,889,360)	1,392,726	(363,536)	(4,512,217)	-172.0%	(3,282,085)	-235.7%
NET PATRONAGE CAPITAL	617,173	4,336	3,364,631	(40,639)	(612,837)	-99.3%	(3,360,294)	-99.9%
EBITDA	(2,005,041)	1,894,593	1,971,905	322,971	3,899,634	194.5%	(77,312)	-3.9%

13 Month Broadband Revenues and Subscribers

■ Broadband Revenue — Subscribers



13 Month Broadband Revenue and Subscriber Growth

Revenue Per Sub Subscribers Linear (Revenue Per Sub)

