

# VALLEY COMMUNICATIONS ASSOCIATION

## MONTHLY REPORTS & FINANCIAL RESULTS AS OF MARCH 31, 2019



**COMMUNICATIONS SALES DATA**

HIGH-SPEED BROADBAND	PRICE	MAR19 CUSTOMERS			FEB19 CUSTOMERS			JAN19 CUSTOMERS			MAR19 REVENUE			FEB19 REVENUE			JAN19 REVENUE		
		TOTAL	VEA	VCA	TOTAL	VEA	VCA	TOTAL	VEA	VCA	TOTAL	VEA	VCA	TOTAL	VEA	VCA	TOTAL	VEA	VCA
Res Wireless	\$49.95	8,454	8,127	327	8,496	8,172	324	8,453	8,136	317	\$460,478	\$443,087	\$17,392	\$418,995	\$403,176	\$15,819	\$416,089	\$401,167	\$14,922
Res Basic Fiber	\$49.95	505	494	11	494	484	10	436	425	11	\$34,834	\$34,065	\$769	\$24,191	\$23,691	\$500	\$21,377	\$20,827	\$549
Res Premium Fiber	\$84.95	20	20	-	19	19	-	17	17	-	\$1,842	\$1,842	\$0	\$1,512	\$1,512	\$0	\$1,334	\$1,334	\$0
Res Premium +	\$109.95	3	3	-	3	3	-	3	3	-	\$360	\$360	\$0	\$330	\$330	\$0	\$323	\$323	\$0
Res Platinum	\$149.95	1	1	-	-	-	-	-	-	-	\$150	\$150	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bus Wireless	\$49.95	204	188	16	204	189	15	201	187	14	\$15,823	\$14,503	\$1,319	\$10,739	\$9,920	\$819	\$10,411	\$9,579	\$833
Bus LT	\$59.95	8	5	3	7	4	3	7	4	3	\$576	\$317	\$259	\$415	\$235	\$180	\$415	\$235	\$180
Bus Micro Business	\$94.95	36	31	5	35	30	5	33	28	5	\$3,573	\$3,187	\$386	\$3,156	\$2,681	\$475	\$3,092	\$2,617	\$475
Bus Business Lite	\$149.95	80	68	12	80	68	12	77	66	11	\$12,791	\$10,871	\$1,919	\$12,121	\$10,257	\$1,864	\$11,661	\$9,847	\$1,814
Bus Basic	\$599.95	26	12	14	25	11	14	24	10	14	\$14,239	\$7,199	\$7,039	\$13,559	\$6,519	\$7,039	\$11,734	\$4,695	\$7,039
Bus Premium	\$749.95	13	7	6	11	7	4	11	7	4	\$9,599	\$5,250	\$4,350	\$8,249	\$5,250	\$3,000	\$7,649	\$5,250	\$2,400
Bus Platinum	\$1,499.95	5	3	2	5	3	2	5	3	2	\$6,150	\$3,150	\$3,000	\$6,150	\$3,150	\$3,000	\$6,150	\$3,150	\$3,000
Carrier Wholesale - 500 Mg	\$1,200.00	6	1	5	6	1	5	6	1	5	\$7,200	\$1,200	\$6,000	\$7,200	\$1,200	\$6,000	\$7,200	\$1,200	\$6,000
Carrier Wholesale - 1GB	\$1,800.00	-	-	-	-	-	-	-	-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrier Bus 10GB	\$2,500.00	1	-	1	1	-	1	1	-	1	\$2,500	\$0	\$2,500	\$2,500	\$0	\$2,500	\$2,500	\$0	\$2,500
Carrier Bus1GB	\$1,850.00	4	-	4	4	-	4	4	-	4	\$5,920	\$0	\$5,920	\$5,920	\$0	\$5,920	\$5,920	\$0	\$5,920
Carrier Bus20Mb	\$89.95	-	-	-	-	-	-	-	-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other BB											\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total High-Speed Broadband</b>		<b>9,366</b>	<b>8,960</b>	<b>406</b>	<b>9,390</b>	<b>8,991</b>	<b>399</b>	<b>9,278</b>	<b>8,887</b>	<b>391</b>	<b>\$576,035</b>	<b>\$525,181</b>	<b>\$50,854</b>	<b>\$515,036</b>	<b>\$467,920</b>	<b>\$47,116</b>	<b>\$505,855</b>	<b>\$460,223</b>	<b>\$45,632</b>
<b>VOIP</b>																			
Res VOIP	\$19.95	246	246	-	243	243	-	235	235	-	\$6,483	\$6,483	\$0	\$4,870	\$4,870	\$0	\$4,581	\$4,581	\$0
Bus Analog	\$19.95	42	37	5	38	34	4	34	31	3	\$1,914	\$1,787	\$127	\$1,726	\$1,664	\$62	\$1,530	\$1,470	\$60
Bus VOIP	\$24.95	49	-	49	48	-	48	49	-	49	\$4,796	\$0	\$4,796	\$4,621	\$0	\$4,621	\$4,366	\$0	\$4,366
VOIP Discount	(\$5.00)	-	-	-	253	2	251	243	2	241	\$0	\$0	\$0	(\$1,236)	(\$10)	(\$1,226)	(\$1,181)	(\$10)	(\$1,171)
Other VOIP											\$388	\$0	\$388	\$380	\$0	\$380	\$357	\$0	\$357
<b>Total VOIP</b>		<b>337</b>	<b>283</b>	<b>54</b>	<b>329</b>	<b>277</b>	<b>52</b>	<b>318</b>	<b>266</b>	<b>52</b>	<b>\$13,582</b>	<b>\$8,270</b>	<b>\$5,311</b>	<b>\$10,361</b>	<b>\$6,524</b>	<b>\$3,837</b>	<b>\$9,654</b>	<b>\$6,042</b>	<b>\$3,612</b>
Router Leased	\$4.95	3,386	1	3,385	3,391	1	3,390	3,313	-	3,313	\$16,387	(\$15)	\$16,402	\$16,407	(\$15)	\$16,422	\$15,994	\$0	\$15,994
Other											\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Broadband Vacation Charge	\$5.00	54	52	2	57	54	3	64	60	4	\$234	\$224	\$10	\$256	\$244	\$12	\$263	\$244	\$20
VOIP Vacation Charge	\$5.00	1	1	-	1	1	-	1	1	-	\$5	\$5	\$0	\$5	\$5	\$0	\$5	\$5	\$0
IPTV Vacation Charge	\$5.00	-	-	-	-	-	-	-	-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Vacation Charge</b>		<b>55</b>	<b>53</b>	<b>2</b>	<b>58</b>	<b>55</b>	<b>3</b>	<b>65</b>	<b>61</b>	<b>4</b>	<b>\$239</b>	<b>\$229</b>	<b>\$10</b>	<b>\$261</b>	<b>\$249</b>	<b>\$12</b>	<b>\$268</b>	<b>\$249</b>	<b>\$20</b>

# VALLEY COMMUNICATION ASSOCIATION

## CONSOLIDATED INCOME STATEMENT - UNAUDITED

PERIOD ENDED MARCH 31, 2019

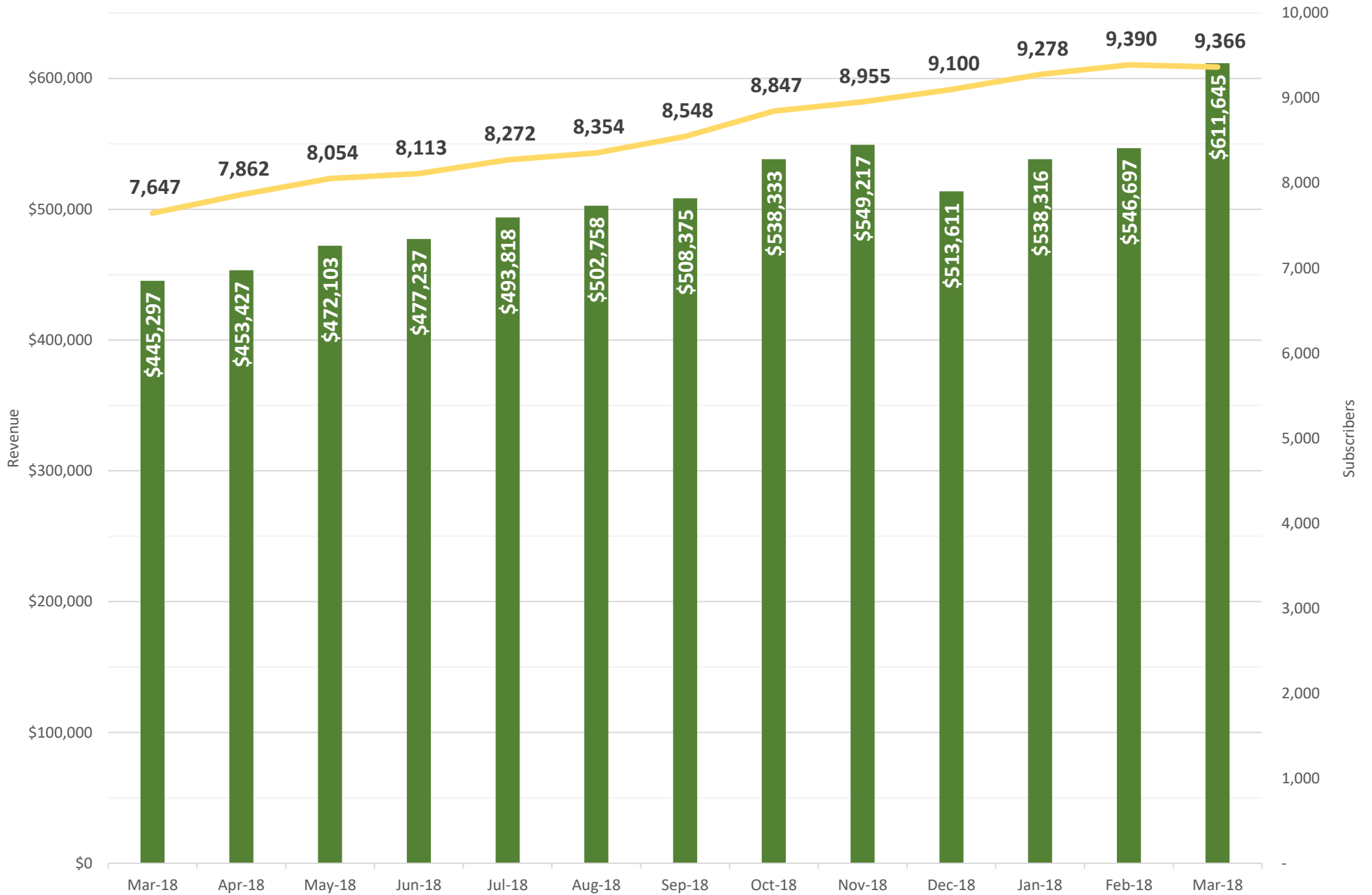
	YTD(MAR)		YTD(MAR)	YTD(MAR)	MAR	2019 VS 2018		2019 VS BUD	
	2018	2019	BUD	2019	Dollars	%	Dollars	%	
	REVENUE - INTERNET	1,237,343	1,655,427	1,816,635	595,040	418,085	33.8%	(161,207)	-8.9%
COST OF SALES - INTERNET	769,569	775,708	722,518	297,496	(6,139)	-0.8%	(53,190)	-7.4%	
<b>GROSS MARGINS - INTERNET</b>	<b>467,774</b>	<b>879,719</b>	<b>1,094,117</b>	<b>297,544</b>	<b>411,945</b>	<b>88.1%</b>	<b>(214,398)</b>	<b>-19.6%</b>	
REVENUE - IPTV	36,228	70	-	3	(36,158)	-99.8%	70	0.0%	
COST OF SALES - IPTV	164,597	61,528	-	17,053	103,070	62.6%	(61,528)	0.0%	
<b>GROSS MARGINS - IPTV</b>	<b>(128,369)</b>	<b>(61,458)</b>	<b>-</b>	<b>(17,050)</b>	<b>66,911</b>	<b>52.1%</b>	<b>(61,458)</b>	<b>0.0%</b>	
REVENUE - VOIP	7,063	34,690	15,939	13,796	27,627	391.2%	18,751	117.6%	
COST OF SALES - VOIP	49,807	49,730	46,578	17,136	77	0.2%	(3,152)	-6.8%	
<b>GROSS MARGINS - VOIP</b>	<b>(42,745)</b>	<b>(15,040)</b>	<b>(30,639)</b>	<b>(3,340)</b>	<b>27,704</b>	<b>64.8%</b>	<b>15,598</b>	<b>50.9%</b>	
VEEK REVENUE	7,133	6,471	6,000	2,805	(662)	-9.3%	471	7.8%	
SMART HOME REVENUE	-	-	-	-	0	0.0%	0	0.0%	
<b>TOTAL REVENUE</b>	<b>1,287,767</b>	<b>1,696,657</b>	<b>1,838,574</b>	<b>611,645</b>	<b>408,891</b>	<b>31.8%</b>	<b>(141,916)</b>	<b>-7.7%</b>	
<b>TOTAL COST OF SALES</b>	<b>983,974</b>	<b>886,966</b>	<b>769,096</b>	<b>331,685</b>	<b>97,008</b>	<b>9.9%</b>	<b>(117,870)</b>	<b>-15.3%</b>	
<b>GROSS MARGINS</b>	<b>303,793</b>	<b>809,691</b>	<b>1,069,478</b>	<b>279,959</b>	<b>505,899</b>	<b>166.5%</b>	<b>(259,787)</b>	<b>-24.3%</b>	
MAINTENANCE EXPENSE	8,064	25,565	7,250	13,575	(17,501)	-217.0%	(18,315)	-252.6%	
CONSUMER ACCOUNTS EXPENSE	82,432	73,183	79,465	26,251	9,249	11.2%	6,282	7.9%	
CUSTOMER SERVICE (VEEK) EXPENSE	1,901	-	-	-	1,901	100.0%	0	0.0%	
SALES EXPENSE	103,639	72,375	87,823	14,373	31,264	30.2%	15,447	17.6%	
ADMIN AND GENERAL EXPENSE	692,023	228,177	528,189	73,029	463,846	67.0%	300,012	56.8%	
<b>TOTAL CONTROLLABLE COSTS</b>	<b>888,060</b>	<b>399,300</b>	<b>702,727</b>	<b>127,228</b>	<b>488,760</b>	<b>55.0%</b>	<b>303,427</b>	<b>43.2%</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>1,872,034</b>	<b>1,286,266</b>	<b>1,471,823</b>	<b>458,913</b>	<b>585,768</b>	<b>31.3%</b>	<b>185,557</b>	<b>12.6%</b>	
DEPRECIATION & AMORT EXPENSE	1,408,512	1,252,624	1,226,202	418,975	155,888	11.1%	(26,422)	-2.2%	
TAX EXPENSE-OTHER	2,326	38,367	-	9,592	(36,041)	-1549.6%	(38,367)	0.0%	
INTEREST EXPENSE	219,341	166,337	166,276	53,961	53,003	24.2%	(61)	0.0%	
INT CHARGED TO CONST					0	0.0%	0	0.0%	
OTHER DEDUCTIONS	741	(118)	-	(58)	859	115.9%	118	0.0%	
<b>TOTAL EXPENSES</b>	<b>3,502,953</b>	<b>2,743,477</b>	<b>2,864,301</b>	<b>941,382</b>	<b>759,476</b>	<b>21.7%</b>	<b>120,824</b>	<b>4.2%</b>	
<b>NET MARGIN</b>	<b>(2,215,187)</b>	<b>(1,046,820)</b>	<b>(1,025,727)</b>	<b>(329,737)</b>	<b>1,168,367</b>	<b>52.7%</b>	<b>(21,093)</b>	<b>-2.1%</b>	
<b>EBITDA</b>	<b>(585,008)</b>	<b>410,509</b>	<b>366,751</b>	<b>152,790</b>	<b>995,517</b>	<b>170.2%</b>	<b>43,758</b>	<b>11.9%</b>	

**VALLEY COMMUNICATION ASSOCIATION**  
**BALANCE SHEET - UNAUDITED**  
AS OF MARCH 31, 2019

<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Plant in Service	\$40,421,777	30. Memberships	\$0
2. Construction Work in Progress	\$4,640,440	31. Patronage Capital	\$0
<b>3. Total Plant (1+2)</b>	<b>\$45,062,217</b>	32. Operating Margins - Prior Years	(\$15,949,632)
4. Accum. Prov for Deprec and Amort	\$9,764,737	33. Operating Margins - Current Year	(\$1,212,834)
<b>5. Net Plant (3-4)</b>	<b>\$35,297,480</b>	34. Non-Operating Margins	\$0
<b>14. Total Other Property &amp; Investments</b>	<b>\$0</b>	35. Other Margins & Equities	\$45,000,000
15. Cash-General Funds	\$15,230	<b>36. Total Margins &amp; Equities (30 thru 35)</b>	<b>\$27,837,535</b>
16. Cash-Construction Funds-Trustee	\$0	40. Long-Term Debt - Other(Net)	\$0
17. Special Deposits	\$0	<b>43. Total Long-Term Debt</b>	<b>\$0</b>
18. Temporary Investments	\$0	44. Obligations Under Capital Leases	\$5,840,849
19. Notes Receivable - Net	\$0	<b>46. Total Other Noncurrent Liabilities</b>	<b>\$5,840,849</b>
20. Accounts Receivable Trade	\$446,850	47. Notes Payable	\$0
21. Accounts Receivable - Net Other	\$16,433	48. Accounts Payable	\$4,212,497
23. Materials & Supplies	\$2,003,189	49. InterCompany payable	\$0
24. Prepayments	\$59,630	50. Current Maturities Long-Term Debt	\$0
25. Other Current & Accrued Assets	\$0	52. Current Maturities Capital Leases	\$3,251,949
<b>26. Total Current &amp; Accrued Assets</b>	<b>\$2,541,332</b>	53. Other Current & Accrued Liabilities	\$1,843
28. Deferred Debits	\$3,305,860	<b>54. Total Current &amp; Accrued Liabilities</b>	<b>\$7,466,289</b>
		56. Deferred Credits	\$0
<b>29. Total Assets &amp; Other Debits</b>	<b>\$41,144,672</b>	<b>57. Total Liabilities &amp; Other Credits</b>	<b>\$41,144,672</b>

# 13 Month Broadband Revenues and Subscribers

■ Broadband Revenue    — Subscribers



# 13 Month Broadband Revenue and Subscriber Growth

Revenue Per Sub    Subscribers    Linear (Revenue Per Sub)

