

# TENNESSEE PUBLIC UTILITY COMMISSION



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502 Deaderick Street, 4th Floor  
Nashville, Tennessee 37243  
T.N.U.C. PUBLIC ROOM

November 9, 2017

Kristopher E. Twomey  
Law Office of Kristopher E. Twomey, P.C.  
1725 I Street, NW, Suite 300  
Washington, D.C. 20006

RE: Docket No. 17-00065, *Application of Monster Broadband, Inc. for a Certificate to Provide Competing Local Telecommunications Services in Tennessee*

Dear Mr. Twomey,

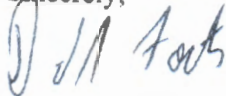
The Tennessee Public Utility Commission ("TPUC") is in receipt of Monster Broadband, Inc.'s response to our initial data request. However, the TPUC requires the following information before action on Monster Broadband, Inc.'s application can proceed:

- 1) Provide the original surety bond issued to Monster Broadband, Inc. by RLI Insurance Company. The initial application contained a copy and the response to our initial data request also contained a copy of the bond.
- 2) Provide the company's balance sheet and cash flow statement for the time period January 2016 through December 2016. A profit and loss statement for 2016 was included in Monster Broadband, Inc.'s initial response to our data request. Also, provide balance sheets, profit and loss statements and cash flow statements for 2014 and 2015.
- 3) Provide a detailed discussion describing and detailing the expenses contained in the following items listed in the profit and loss statement for January 2016 through December 2016:

*Fuel	\$19,340.73
*Credit Card Fees	\$10,709.79
*Transfer of Money	\$30,450.00
*Materials and Supplies	\$239,201.31
*Repairs & Maintenance	\$38,964.53
*Rubbage Removal Supplies	\$12,155.87
*Taxes / 941	\$141,416.96
*Total Utilities	\$33,836.38

It is requested that this information be provided no later than 2:00 pm on November 22, 2017 and that you reference Docket Number 17-00065 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have questions regarding this request, please contact Lisa Foust at 615-770-6886.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Foster", written over the word "Sincerely,".

David Foster

Director, Utilities Division

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02/27/17

Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2016

Jan - Dec 16

Ordinary Income/Expense	
Income	
*service Sales	1 223,321.72
Exempt income	
credit refund	1,914.02
Rebate (exempt income)	699.08
Exempt income - Other	6 000.00
Total Exempt income	8,613.10
exempt income Transferred from o	30,000.00
Total Income	1 261 934.82
Expense	
Advertising and Promotion	9,587.81
Automobile Expense	
Cleaning	353.60
Fuel	14,340.73
repairs	7,961.90
Automobile Expense - Other	1,221.60
Total Automobile Expense	16,377.83
Bad Check return	87.50
Bank Service Charges	1.11
Broadband Service charge	16,420.98
Casual Labor	1,105.00
Computer and Internet Expenses	
ATT Server fees	53,902.13
computer software	5,062.50
Networking fees	7,312.56
Website fees	719.09
Computer and Internet Expenses - Other	21,465.79
Total Computer and Internet Expenses	68,462.07
Contract labor	1,097.51
Credit Card fees	10,709.79
Credit Check Fees	0.00
customer relations	125.00
dues and subscriptions	1,692.41
Employee Advance	2,350.00
Employee Relations	187.86
Employer IRA Contribution	8,297.68
Equipment purchase	
Radios	33,219.56
Equipment purchase - Other	38,121.74

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02/27/17

Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2016

	Jan - Dec 16
Total Equipment purchase	71,341.30
Equipment Rental	1,042.33
Exempt Expenses	
Advancement in pay	1,600.00
Transfer of money	30,450.00
Exempt Expenses - Other	6,372.01
Total Exempt Expenses	38,422.01
Insurance Expense	
Business Liability	6,199.00
Cyber Insurance	141.00
Health	15,514.50
Life	4,312.00
Property	7,168.00
Truck/Auto	4,484.00
Workers Comp	4,671.00
Total Insurance Expense	41,490.50
Interest Expense	54.45
internet service	18,002.34
Licenses & Fees	110.85
Loan Payments	51,398.47
Materials and Supplies	49,121.23
Meals and Entertainment	4,388.11
Office Supplies	
Operating Supplies	1,837.96
Office Supplies - Other	2,016.44
Total Office Supplies	3,904.40
Payroll Expenses	
Sub- Contractor	2,171.00
Payroll Expenses - Other	520,504.43
Total Payroll Expenses	522,675.43
Postage and Delivery	1,169.39
Professional Fees	
Legal Fees	8,000.00
Professional Fees - Other	5,755.00
Total Professional Fees	13,755.00
Refunds and Allowances	3,425.02
Rent Expense	38,964.53
Repairs and Maintenance	

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02/27/17

Accrual Basis

## Monster Broadband Inc.

## Profit &amp; Loss

January through December 2016

	Jan - Dec 16
Lawn Care	865.00
Repairs and Maintenance - Other	715.00
<b>Total Repairs and Maintenance</b>	<b>1,580.00</b>
Rubbage Removal	740.99
supplies	12,155.87
<b>Taxes</b>	
940	611.79
941	141,416.96
Business Tax	88.00
Francise and Excise	707.00
Professional Lic.	0.00
Property	487.00
Sales Tax	7,542.92
tags	155.05
Unemployment	76.87
<b>Total Taxes</b>	<b>141,416.96</b>
tools	7.00
Training Seminars	2,121.90
<b>Travel Expense</b>	
Airline Tickets	5,021.50
Parking Fees	4.01
Travel Expense - Other	6,072.47
<b>Total Travel Expense</b>	<b>11,097.98</b>
Uniforms	2,301.80
<b>Utilities</b>	
Cable	6,533.82
Cell phone	5,423.47
Telephone Expense	10,331.58
Utilities - Other	11,547.51
<b>Total Utilities</b>	<b>33,836.38</b>
<b>Web Hosting</b>	<b>4,748.24</b>
<b>Total Expense</b>	<b>1,392,855.30</b>
<b>Net Ordinary Income</b>	<b>-130,920.48</b>
<b>Net Income</b>	<b>-130,920.48</b>

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12/14/17

Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2015

Jan - Dec 15

**Ordinary Income/Expense****Income**

*service Sales	1,016,625.09
Exempt income	
credit refund	382.11
Rebate (exempt income)	221.99
Exempt income - Other	13.88

Total Exempt income 617.98

exempt income Transferred from o 30,000.00

Total Income 1,047,243.07

**Expense**

Advertising and Promotion 14,648.63

**Automobile Expense**

Cleaning	17.99
Fuel	24,027.85
repairs	3,897.18
Tires	661.27
Automobile Expense - Other	352.48

Total Automobile Expense 28,956.77

Bad Check return 1,677.42

Bank Service Charges 18.08

Broadband Service charge 55,772.05

Casual Labor 2,400.00

**Computer and Internet Expenses**

Networking fees	4,917.06
Tech Support	26,719.25
Website fees	4,098.19
Computer and Internet Expenses - Other	19.08

Total Computer and Internet Expenses 35,753.58

Credit Card fees 11,610.28

Credit Check Fees 0.00

customer relations 568.00

Donation 150.00

dues and subscriptions 2,411.21

Electrical Work 7,829.94

Employer IRA Contribution 8,238.19

Equipment purchase 43,011.71

Equipment Rental 610.47

**Exempt Expenses**

Advancment in pay	500.00
Transfer of money	36,967.15
Exempt Expenses - Other	15,182.03

Total Exempt Expenses 52,649.18

**Insurance Expense**

Life	3,290.00
Insurance Expense - Other	21,194.28

Total Insurance Expense 24,484.28

internet service 2,122.53

Loan Payments 70,121.77

Materials and Supplies 190,331.83

Meals and Entertainment 677.64

**Office Supplies**

Operating Supplies	1,228.30
Office Supplies - Other	2,430.05

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12/14/17

Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2015

	Jan - Dec 15
Total Office Supplies	3,658.35
Payroll Expenses	
Sub- Contractor	4,033.95
Payroll Expenses - Other	348,740.80
Total Payroll Expenses	352,774.75
Postage and Delivery	1,396.06
Professional Fees	5,155.00
Refunds and Allowances	1,531.13
reimbursed Expenses	39.00
Rent Expense	39,496.95
Repairs and Maintenance	
Lawn Care	905.00
window cleaning	20.00
Repairs and Maintenance - Other	1,232.67
Total Repairs and Maintenance	2,157.67
Rubbage Removal	753.25
supplies	82,032.02
Taxes	
940	388.71
941	69,567.80
941 Deposit	26,115.32
Business Tax	1,390.00
Francise and Excise	1,010.00
Professional Lic.	0.00
Property	594.00
Sales Tax	5,403.76
tags	112.20
Unemployment	358.58
Taxes - Other	1,470.25
Total Taxes	106,410.62
tools	506.08
Travel Expense	
Airline Tickets	3,988.39
Parking Fees	62.36
Travel Expense - Other	3,311.10
Total Travel Expense	7,361.85
Utilities	
Cable	5,305.42
Telephone Expense	7,224.66
Utilities - Other	9,586.54
Total Utilities	22,116.62
void	0.00
Web Hosting	248.67
Total Expense	1,179,681.58
Net Ordinary Income	-132,438.51
Net Income	-132,438.51

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12/14/17

Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2014

Jan - Dec 14

Ordinary Income/Expense	
Income	
*service Sales	898,665.99
Exempt income	
credit refund	168.15
Rebate (exempt income)	1,841.99
Exempt income - Other	10,525.02
Total Exempt income	12,535.16
exempt income Transferred from o	48,534.72
Total Income	959,735.87
Expense	
Advertising and Promotion	11,182.14
Automobile Expense	
Cleaning	53.36
Fuel	24,996.40
repairs	1,922.70
Tires	804.70
Automobile Expense - Other	308.24
Total Automobile Expense	28,085.40
Bad Check return	319.97
Bank Service Charges	150.00
Broadband Service charge	89,239.14
Casual Labor	785.00
Computer and Internet Expenses	
computer software	1,735.93
Networking fees	118.22
Software	589.86
Tech Support	36,453.03
Website fees	2,632.92
Computer and Internet Expenses - Other	387.55
Total Computer and Internet Expenses	41,917.51
Credit Card fees	
verifying fees	0.10
Credit Card fees - Other	14,670.53
Total Credit Card fees	14,670.63
Credit Check Fees	79.28
customer relations	132.51
Depreciation Expense	16,523.67
dues and subscriptions	1,798.00
Electrical Work	5,918.01
Employer IRA Contribution	6,669.15
Equipment purchase	8,271.82
Equipment Rental	180.26
Exempt Expenses	
Advancment in pay	4,200.00
Transfer of money	11,498.46
Exempt Expenses - Other	26,232.40
Total Exempt Expenses	41,930.86
Insurance Expense	
Life	6,580.00
Insurance Expense - Other	17,767.71
Total Insurance Expense	24,347.71
internet service	1,857.35
Loan Payments	155,319.31



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Accrual Basis

**Monster Broadband Inc.**  
**Profit & Loss**  
 January through December 2014

	Jan - Dec 14
Materials and Supplies	100,583.12
Meals and Entertainment	568.09
Office Supplies	
Operating Supplies	1,113.16
Office Supplies - Other	1,857.63
Total Office Supplies	2,970.79
Payroll Expenses	252,605.59
Postage and Delivery	1,021.00
Professional Fees	7,315.00
Reconciliation Discrepancies	0.06
Refunds and Allowances	2,118.57
Rent Expense	43,470.33
Repairs and Maintenance	
Lawn Care	845.00
window cleaning	18.00
Repairs and Maintenance - Other	1,148.00
Total Repairs and Maintenance	2,011.00
Rubbage Removal	508.15
supplies	56,947.06
Taxes	
940	429.83
941	22,379.40
941 Deposit	46,482.59
Business Tax	1,997.00
Francise and Excise	1,052.00
Professional Lic.	22.25
Property	567.99
Sales Tax	3,952.00
tags	234.27
Unemployment	265.96
Taxes - Other	4,983.86
Total Taxes	82,367.15
tools	383.51
Travel Expense	
Airline Tickets	1,709.06
Parking Fees	40.00
Toll Fees	46.19
Travel Expense - Other	2,836.60
Total Travel Expense	4,631.85
Utilities	
Cable	957.77
Telephone Expense	10,662.89
Utilities - Other	10,844.86
Total Utilities	22,465.52
void	0.00
Web Hosting	2,783.00
Total Expense	1,032,127.51
Net Ordinary Income	-72,391.64
Net Income	-72,391.64

### Cash Flow Statement

	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016
<b><u>Cash Inflow</u></b>			
Beginning Cash	\$ 326,789	\$ 261,102	\$ 218,339
Sales Income	\$ 959,735	\$ 1,047,243	\$ 1,261,934
Sales of Assets	\$ -	\$ -	\$ -
Loans	\$ 123,456	\$ -	\$ -
Capital	\$ 47,983	\$ 89,675	\$ 112,342
Total Cash In	\$ 1,457,963	\$ 1,398,020	\$ 1,592,615
<b><u>Cash Outflow</u></b>			
Salaries	\$ 252,605	\$ 352,774	\$ 520,504
Operating Expenses	\$ 664,640	\$ 667,848	\$ 682,844
Loan payments	\$ 155,319	\$ -	\$ -
Capital Expenditures	\$ 41,930	\$ 52,649	\$ 38,422
Tax Payments	\$ 82,367	\$ 106,410	\$ 151,085
Total Cash Out	\$ 1,196,861	\$ 1,179,681	\$ 1,392,855
Net Cash Out	\$ 261,102	\$ 218,339	\$ 199,760

### Balance Sheet

	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2016
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#### Assets

#### PRO FORMA BALANCE SHEET

Assets	\$75,412	\$87,412	\$214,732
Cash	\$261,102	\$218,339	\$199,760
Other Current Assets	\$214,573	\$385,471	\$647,125
<b>TOTAL CURRENT ASSETS</b>	<b>\$551,087</b>	<b>\$691,222</b>	<b>\$1,061,617</b>
Long-term Assets	\$250,000	\$725,000	\$955,000
Accumulated Depreciation	\$128,745	\$556,841	\$724,571
<b>TOTAL LONG-TERM ASSETS</b>	<b>\$85,632</b>	<b>\$92,104</b>	<b>\$118,521</b>
<b>TOTAL ASSETS</b>	<b>\$636,719</b>	<b>\$783,326</b>	<b>\$1,180,138</b>

#### Liabilities

Liabilities and Capital			
Current Liabilities	\$783,540	\$438,741	\$124,320
Accounts Payable	\$48,751	\$59,321	\$97,451
Other Current Liabilities	\$0	\$0	\$0
<b>SUBTOTAL CURRENT LIABILITIES</b>	<b>\$832,291</b>	<b>\$498,062</b>	<b>\$221,771</b>
Long-term Liabilities	\$0	\$0	\$0
<b>TOTAL LIABILITIES</b>	<b>\$832,291</b>	<b>\$498,062</b>	<b>\$221,771</b>
Paid-in Capital	\$142,547	\$142,547	\$142,547
Retained Earnings	\$87,451	\$92,147	\$118,419
Earnings	\$959,735	\$1,047,243	\$1,261,934
<b>TOTAL CAPITAL</b>	<b>\$1,189,733</b>	<b>\$1,281,937</b>	<b>\$1,522,900</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$2,022,024</b>	<b>\$1,779,999</b>	<b>\$1,744,671</b>
<b>Net Worth</b>	<b>\$1,189,733</b>	<b>\$1,281,937</b>	<b>\$1,522,900</b>



1105 Dinah Shore Blvd. Winchester TN 37398

**Detailed discussion describing and detailing the expenses contained in the 2016 profit and loss statement**

* Fuel	Gas and diesel consumed by our service trucks				
*Credit Card Fees	Fee charged by a credit card company each year for processing our customer credit cards				
* Transfer of Money	Monster banks with two banks, this is money transferred from one bank to another				
* Materials and Supplies	Network towers, SM's (Subscriber Module), AP's (Access Points) and Backhauls				
* Repairs and maintenance	Tower and vehicle repairs				
* Rubbage Removal Supplies	Garbage removal, tower removal, SM / AP disposal				
* Taxes / 941	Federal income tax and other payroll taxes				
* Total Utilities	Electricity consumed at our broadcasting towers and our offices				