HSNV PHASE III NEVADA BEAD FINANCIAL REQUIREMENTS AUGUST 2024

HGH



UPCOMING TECHNICAL ASSISTANCE

- BEAD Financial Requirements:
 - Date: 08/21/2024
 - Time: 9:00 am PT
- BEAD Grant Requirements:
 - Date: 08/23/2024
 - Time: 11:00 am PT
- **BEAD Technical Requirements**:
 - Date: 08/23/2024
 - Time: 1:00 pm PT

- BEAD Program Design:
 - Date: 08/26/2024
 - Time: 12:00 pm PT
- BEAD Scoring Rubric Overview
 - Date: 08/28/2024
 - Time: 11:00 am PT





AGENDA

 OSIT Approach to Pro Forma and Business Plan Requirements
 Overview of Financial Requirements
 Pro Forma
 Business Plan



APPROACH TO FINANCIAL REQUIREMENTS

NTIA has provided several financial requirements as part of the subgrantee selection process:



OSIT is balancing NTIA requirements with making the process user friendly







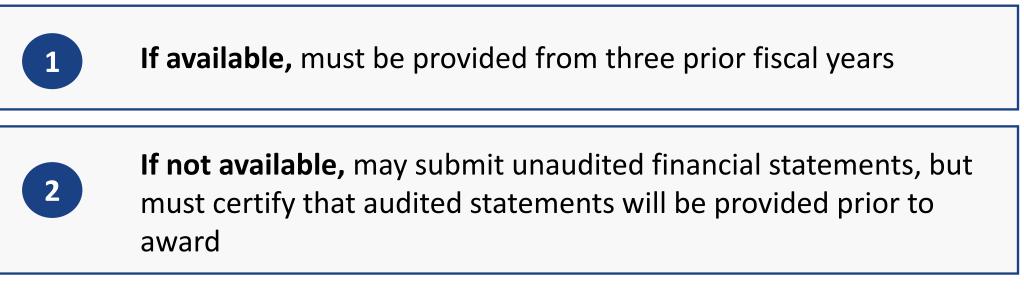
APPLICANT FINANCIALS: AUDITED FINANCIAL STATEMENTS





AUDITED FINANCIAL STATEMENTS

Requirement for audited financial statements:



See IPv2 p. 60





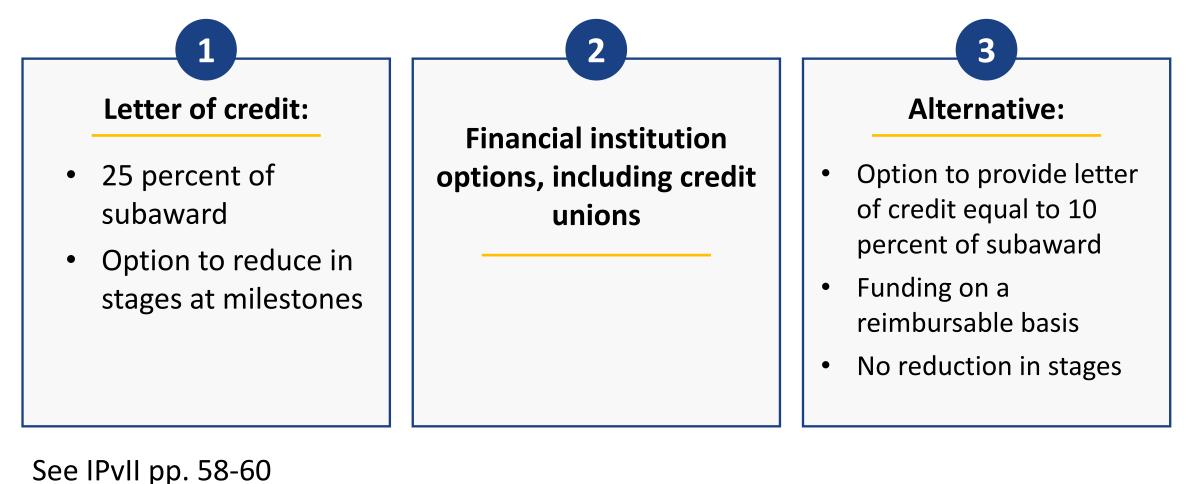


APPLICANT FINANCIALS: LETTER OF CREDIT AND PERFORMANCE BOND OPTIONS





LETTER OF CREDIT OPTIONS







PERFORMANCE BOND OPTIONS





See IPvII pp. 58-60





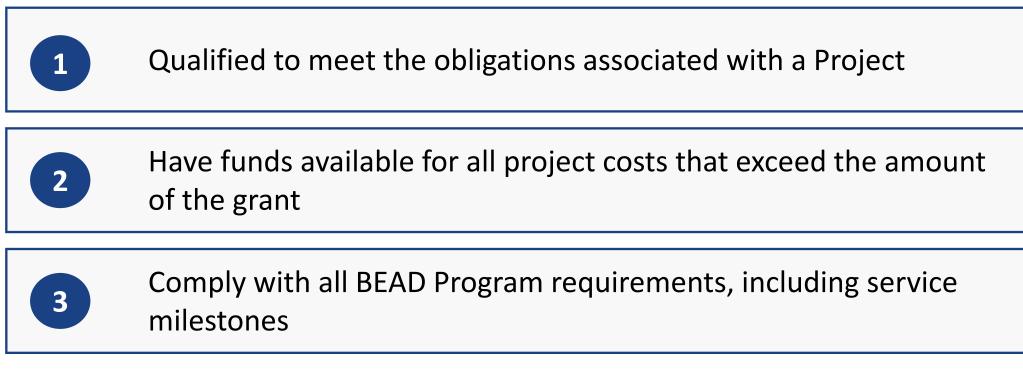
FINANCIAL CAPABILITIES CERTIFICATIONS





FINANCIAL CAPABILITY CERTIFICATIONS

Required certifications:



See IPvII p. 57







PROJECT FINANCIALS: CAPACITY REVIEW





FINANCIAL CAPACITY REVIEW

Part of scoring – up to 8 points

- Narrative elements
 - Describe the Applicant's financial strength, sustainability, and investment potential to support scope of work/project. (250 words)
 - List the funding sources available to the Applicant to complete the proposed project.
 - Examples of successfully completed past projects of similar size and scope and list the funding sources used to complete them.
- High-level project metrics derived from the business plan and pro forma:
 - Cost per passing/mile
 - Forecasted take-rate
 - Revenue estimates

See IPvII, p.27, p.41







PROJECT FINANCIALS: BUSINESS PLAN





BUSINESS PLAN

For each project area, the Applicant should provide an explanation for:



Details and assumptions of how capital cost per pass calculation was derived



A statement providing an overview of the plan to market to prospective customers and the anticipated acquisition cost for each customer



Key metrics will be in the pro forma and in the budget plan







PROJECT FINANCIALS: PROFORMA & PROJECT BUDGET





Proforma

Purpose of this exercise is to provide a view into the project cash flows of the proposed project. This is required by the NTIA.



Key financial metrics that establish the long-term sustainability of the project:

Project-specific information about revenues and operational and capital costs Financing structure, including debt, equity, and grant funding should also included

Ensure eligibility of proposed costs

8-year projected project cash flows: NTIA BEAD NOFO requires a minimum of three years past buildout Per the BEAD NOFO and IPvII, assume a maximum four-year buildout, unless Applicant has committed to a faster buildout schedule (see for example NOFO p.18 as well as IPvII)





Proforma

- Standard form of project-based financials
- Applicants may add further breakdowns if desired, but must retain the larger categories



(enter Applicant Organization Name) (enter RPA ID)



Fiscal Year	1	2	3	4	5	6	7	8
Beginning Cash Balance	\$0	\$4,253,570	\$2,810,668	\$1,473,613	\$12,283,305	\$8,028,776	\$6,405,639	\$5,390,416
Operating Activities								
Revenues								
Subscriber fees	\$0	\$93,880	\$352,975	\$627,531	\$918,242	\$1,225,832	\$1,442,218	\$1,485,485
Operating expenses								
Plant maintenance	(\$35,141)	(\$93,896)	(\$156,144)	(\$222,042)	(\$291,753)	(\$324,709)	(\$334,451)	(\$344,484)
Network equipment maintenance	(\$5,138)	(\$16,699)	(\$34,000)	(\$52,323)	(\$71,715)	(\$86,268)	(\$94,540)	(\$97,376)
CPE maintenance	\$0	(\$5,942)	(\$22,340)	(\$39,717)	(\$58,117)	(\$77,584)	(\$91,280)	(\$94,018)
Internet peering	\$0	(\$1,485)	(\$5,585)	(\$9,929)	(\$14,529)	(\$19,396)	(\$22,820)	(\$23,505)
Customer support costs (CSRs, billing, admin,	\$0	(\$5,942)	(\$22,340)	(\$39,717)	(\$58,1.7)	77,584)	(\$91,280)	(\$94,018)
						N		
Net cash used in operating activities	(\$40,280)	(\$30,084)	\$112,566	\$263,802	\$4 14,01 1	\$640,290	\$807,849	\$832,084
Investing Activities		(52,770,000) (52,770,000)		0				
Capital expenditures				C				
Physical plant construction	(\$2,770,000)	(\$2,770,000)	12,7,1,00,	(\$2,770,000)	(\$2,770,000)	\$0	\$0	\$0
Subscriber drop construction	\$0	(\$7.57,095,	224,403)	(\$334,135)	(\$344,159)	(\$354,484)	(\$90,270)	\$0
Core network electronics (passing-dependen	(\$54,604)	(1 56,2 2)	(\$57,929)	(\$59,667)	(\$61,457)	\$0	\$0	\$0
Distribution / access electronics (subscriber-		(\$39,514)	(\$54,067)	(\$55,689)	(\$57,360)	(\$59,081)	(\$15,045)	\$0
Customer premises equipment		(\$118,543)	(\$162,202)	(\$167,068)	(\$172,080)	(\$177,242)	(\$45,135)	\$0
Core and distribution electronics refresh	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant draws	\$2,118,453	\$2,416,040	\$2,526,451	\$2,539,919	\$399,138	\$0	\$0	\$0
Net cash used in investing activities	(\$706,151)	(\$805,347)	(\$842,150)	(\$846,640)	(\$3,005,918)	(\$590,807)	(\$150,451)	\$0
Financing Activities								
Loan proceeds	\$5,000,000	\$0	\$0	\$12,000,000	\$0	\$0	\$0	\$0
Loan payments (P+I)	\$0	(\$607,471)	(\$607,471)	(\$607,471)	(\$1,672,621)	(\$1,672,621)	(\$1,672,621)	(\$1,672,621)
Net cash used in financing activities	\$5,000,000	(\$607,471)	(\$607,471)	\$11,392,529	(\$1,672,621)	(\$1,672,621)	(\$1,672,621)	(\$1,672,621)
		10 17 17 T	14 - 14 A - 74					
Annual Net Cash Flows	\$4,253,570	(\$1,442,902)	(\$1,337,055)	\$10,809,692	(\$4,254,528)	(\$1,623,138)	(\$1,015,223)	(\$840,537)
								10 A 10 A
Ending Cash Balance	\$4,253,570	\$2,810,668	\$1,473,613	\$12,283,305	\$8,028,776	\$6,405,639	\$5,390,416	\$4,549,879

PROJECT BUDGET

Key financial metrics that establish viability of the buildout of the project:

1. Breakdown of costs

2. Quarterly schedule

 Ensure eligibility of proposed costs

vada - Project Cost Det	ails							
Cost Item	Category	Unit Type	Unit Quantity	Unit Cost	Total Cost (Auto- Calculated)	Grant Funds Requested	Required Applicant Match (Auto-Calculated)	Cost Details and Justificatio
		-			\$ -		\$-	
	Planning/Project Management				\$ -		\$ -	
	Design Engineering				\$ -		\$ -	
	Permitting				\$ -		\$ -	
	-				\$ -		\$ -	
	Infrastructure Acquisition				\$ -		\$ - \$ -	
	Network Deployment				* - \$ -		* - \$ -	
	Network Equipment				\$ -		\$ -	
	Subscriber Activations				\$ -		\$ -	
	Contingencies				\$ -		\$ -	
	Miscellaneous				\$ -		\$ -	
					\$ -		\$ -	
					\$ -		\$ -	
					\$ -		\$ -	
					\$ -		\$ -	

	Q1		Q2			
Category		h Ammount pended	Grant Funds Expended	Match Ammount Expended		
Planning/Project Management	\$ - \$	- \$	-	\$ -		
Design Engineering	\$ - \$	- \$	-	\$ -		
Permitting	\$ - \$	- \$	-	\$ -		
nfrastructure Acquisition	\$ - \$	- \$	-	\$ -		
Network Deployment	\$ - \$	- \$	-	\$ -		
Network Equipment	\$ - \$	- \$	-	\$ -		
Subscriber Activations	\$ - \$	- \$	-	\$ -		
Contingencies	\$ - \$	- \$	-	\$ -		
Miscellaneous	\$ - \$	- \$	-	\$ -		
Total	\$ - \$	- \$	-	\$ –		







Nevada Governor's Office of Science, Innovation and Technology

Questions and Feedback: HighSpeedNV@gov.nv.gov



