

Elsie Communications, Inc. _Elsie and Grafton Broadband Infrastructure Improvements_Attachment G

Elsie Communications Inc., (ECI), is a rural local exchange/communications company in Perkins County serving 200 subscribers in the village of Elsie, the unincorporated village of Grafton and surrounding rural areas. The Elsie exchange covers 203 square miles near the southwestern border of Nebraska. ECI has provided voice communications for over a century and in the last two and a half decades began providing internet services. Being a very rural communications company, ECI continues to face challenges in improving its broadband infrastructure to provide its rural customers with the broadband speeds available in urban areas. Elsie accepted the initial FCC ACAM offer that provided ECI an opportunity to upgrade their current broadband infrastructure to 25/3. While these improvements have benefitted the Elsie communities, the current broadband speeds do not compare with urban areas and do not provide the community with the needed speeds to support online education, telehealth visits or the ability to promote growth for local businesses. Without broadband infrastructure improvements, the villages of Elsie and Grafton will likely lag behind impacting their rural population and the ability for the community to be viable.

ECI is proposing a broadband fiber to the premise build that will provide 114 locations in the Elsie exchange with broadband speed improvements from 25/3 Mbps to a minimum of 100/100 Mbps. With the fiber to the premise build, ECI will be able to eventually scale to 1 Gig. ECI is currently working with available middle mile broadband partners to reduce transport costs thereby in the future, should they be awarded this grant, ECI would be able to offer 1 Gig to residents and businesses. Through increased broadband speeds, the proposed project would provide access to; residential locations allowing them to work from home, allow businesses reliable access to ecommerce opportunities, ensuring children have access to online learning for K-12 and the ability to pursue higher education, and lastly, much needed reliable access to Telehealth which is crucial as we continue to face health management challenges because of the Covid-19 pandemic.

Given ECI's prior experience with broadband infrastructure and fiber deployment, ECI does not anticipate any legal challenges, zoning, right of way or permitting issues. ECI has completed projects previously requiring management in these areas and has not had any issues nor do they anticipate any with this proposed broadband infrastructure build. ECI has been in business since 1898 and will continue to support its customers well into the future. Given this history, ECI has the experience and expertise to support and maintain this fiber to the premise infrastructure build over the long run.

Need for Grant

Nebraska Broadband Bridge Program Grant funding is needed to implement the proposed project because Elsie Communications Inc (ECI) cannot support the cost of the proposed project for the full amount of the capital. The total project cost is \$511,654. ECI will contribute matching funds equal to 50% of the total project cost, which will be approximately \$255,827. As such, ECI is requesting \$255,827 in grant funding from the State of Nebraska.

The grant makes this project affordable and allows ECI the ability to provision FTTH services to 114 premises passed. With the grant, ECI will be able to start earning a positive net income quickly and pay off their portion of the capital expenditures within six years. The company will have a positive Net Present Value (NPV) of approximately \$140k after 20 years.

Without grant funding, the project would no longer be economically feasible. Without this funding, ECI would have to cover the cost of the entire capital expenditure. Under these circumstances, the cash balance would not

turn positive within the first 11 years. The Net Present Value would be negative after 20 years, which is the life of the assets. The company would have to start replacing plant, without ever realizing a return on the initial investment. It would not be feasible to build the project with no recovery of the capital investment spent. This would mean that these 114 homes would not have access to acceptable broadband speeds at any time in the near future.

Elsie Communications Inc.
Granton Broadband Infrastructure Improvements - Attachment G
Balance Sheet

With NE BB Grant

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ASSETS										
Current Assets:										
Cash & Cash Equivalents	(\$161,658)	(\$214,971)	(\$176,631)	(\$133,377)	(\$88,972)	(\$43,392)	\$3,385	\$51,384	\$100,629	\$151,145
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	(\$161,658)	(\$214,971)	(\$176,631)	(\$133,377)	(\$88,972)	(\$43,392)	\$3,385	\$51,384	\$100,629	\$151,145
Investments and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property, Plant, and Equipment:										
Plant in Service	0%	\$171,404	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827
Grant Plant in Service		\$171,404	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827
Plant Under Construction		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PP&E		\$342,808	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654
Less: Accumulated Depreciation		\$5,142	\$17,959	\$33,309	\$48,658	\$64,008	\$79,358	\$94,707	\$110,057	\$125,406
Less: Grant Accumulated Depreciation		\$5,142	\$17,959	\$33,309	\$48,658	\$64,008	\$79,358	\$94,707	\$110,057	\$125,406
Net Plant, Property and Equipment		\$332,524	\$475,736	\$445,037	\$414,337	\$383,638	\$322,240	\$291,540	\$260,841	\$230,142
Total Assets	\$170,866	\$260,765	\$268,406	\$280,961	\$294,667	\$309,547	\$325,625	\$342,924	\$361,470	\$381,287
LIABILITIES & EQUITY										
Current Liabilities:										
Current Maturities on Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Debt, Less Current Maturities										
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Grant Revenue	\$166,262	\$237,868	\$222,518	\$207,169	\$191,819	\$176,469	\$161,120	\$145,770	\$130,421	\$115,071
Total Liabilities	\$166,262	\$237,868	\$222,518	\$207,169	\$191,819	\$176,469	\$161,120	\$145,770	\$130,421	\$115,071
Stockholder's Equity										
Retained earnings/patronage	\$4,604	\$22,897	\$45,888	\$73,792	\$102,847	\$133,077	\$164,505	\$197,154	\$231,049	\$266,216
Total Stockholders' Equity	\$4,604	\$22,897	\$45,888	\$73,792	\$102,847	\$133,077	\$164,505	\$197,154	\$231,049	\$266,216
Total Liabilities and Stockholders' Equity	\$170,866	\$260,765	\$268,406	\$280,961	\$294,667	\$309,547	\$325,625	\$342,924	\$361,470	\$381,287

Elsie Communications Inc.
Grainton Broadband Infrastructure
Balance Sheet

With NE BB Grant

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
ASSETS										
Current Assets:										
Cash & Cash Equivalents	\$202,736	\$254,571	\$307,755	\$362,314	\$418,277	\$475,671	\$534,525	\$594,869	\$656,731	\$720,143
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$202,736	\$254,571	\$307,755	\$362,314	\$418,277	\$475,671	\$534,525	\$594,869	\$656,731	\$720,143
Investments and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property, Plant, and Equipment:										
Plant in Service	0%	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827
Grant Plant in Service		\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827	\$255,827
Plant Under Construction		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PP&E		\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654	\$511,654
Less: Accumulated Depreciation		\$155,236	\$165,469	\$175,702	\$185,935	\$196,168	\$206,401	\$216,634	\$226,867	\$237,100
Less: Grant Accumulated Depreciation		\$155,236	\$165,469	\$175,702	\$185,935	\$196,168	\$206,401	\$216,634	\$226,867	\$237,100
Net Plant, Property and Equipment		\$201,182	\$180,716	\$160,250	\$139,784	\$119,318	\$98,852	\$78,385	\$57,919	\$37,453
Total Assets	\$403,918	\$435,287	\$468,005	\$502,098	\$537,595	\$574,523	\$612,911	\$652,788	\$694,185	\$737,130
LIABILITIES & EQUITY										
Current Liabilities:										
Current Maturities on Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Debt, Less Current Maturities										
Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Grant Revenue	\$100,591	\$90,358	\$80,125	\$69,892	\$59,659	\$49,426	\$39,193	\$28,960	\$18,727	\$8,493
Total Liabilities	\$100,591	\$90,358	\$80,125	\$69,892	\$59,659	\$49,426	\$39,193	\$28,960	\$18,727	\$8,493
Stockholder's Equity										
Retained earnings/patronage	\$303,327	\$344,929	\$387,880	\$432,206	\$477,936	\$525,097	\$573,718	\$623,829	\$675,458	\$728,637
Total Stockholders' Equity	\$303,327	\$344,929	\$387,880	\$432,206	\$477,936	\$525,097	\$573,718	\$623,829	\$675,458	\$728,637
Total Liabilities and Stockholders' Equity	\$403,918	\$435,287	\$468,005	\$502,098	\$537,595	\$574,523	\$612,911	\$652,788	\$694,185	\$737,130

Elsie Communications Inc.
Granton Broadband Infrastructure Improvements - Attachment G
Income Statement

With NE BB Grant

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Operating Revenues:										
End User Revenue	\$48,073	\$108,577	\$132,183	\$145,759	\$148,674	\$151,648	\$154,681	\$157,774	\$160,930	\$164,148
Grant Revenue	\$5,142	\$12,817	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350
Miscellaneous Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectible Revenue	\$14	\$33	\$40	\$44	\$45	\$45	\$46	\$47	\$48	\$49
Total Operating Revenues	\$53,201	\$121,361	\$147,493	\$161,065	\$163,979	\$166,952	\$169,984	\$173,077	\$176,231	\$179,449
Operating expenses:										
End User Cost of Services	\$8,400	\$18,600	\$22,200	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Plant Maintenance & Network Ops	\$8,245	\$18,622	\$22,671	\$24,999	\$25,499	\$26,009	\$26,529	\$27,060	\$27,601	\$28,153
Marketing	\$5,600	\$1,200	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$5,142	\$12,817	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350
Grant Depreciation	\$5,142	\$12,817	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350	\$15,350
Customer Operations	\$4,006	\$9,048	\$11,016	\$12,147	\$12,390	\$12,638	\$12,891	\$13,148	\$13,411	\$13,680
Corporate Operations	\$10,357	\$23,391	\$28,477	\$31,401	\$32,029	\$32,670	\$33,323	\$33,990	\$34,669	\$35,363
Operating Taxes	\$137	\$342	\$409	\$409	\$409	\$409	\$409	\$409	\$409	\$409
Total Operating Expenses	\$47,029	\$96,837	\$116,671	\$123,656	\$125,027	\$126,425	\$127,851	\$129,306	\$130,790	\$132,304
Operating Income	\$6,172	\$24,524	\$30,822	\$37,409	\$38,953	\$40,527	\$42,133	\$43,770	\$45,441	\$47,145
Operating Income Margin		20.21%	20.90%	23.23%	23.75%	24.27%	24.79%	25.29%	25.78%	26.27%
EBITDA	\$11,314	\$37,341	\$46,172	\$52,759	\$54,302	\$55,877	\$57,482	\$59,120	\$60,791	\$62,495
EBITDA Margin		30.77%	31.30%	32.76%	33.12%	33.47%	33.82%	34.16%	34.49%	34.83%
Fixed Charges										
Interest on Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Fixed Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income before Taxes on Income	\$6,172	\$24,524	\$30,822	\$37,409	\$38,953	\$40,527	\$42,133	\$43,770	\$45,441	\$47,145
Taxes on Income	\$1,568	\$6,231	\$7,831	\$9,505	\$9,897	\$10,297	\$10,705	\$11,121	\$11,546	\$11,979
Net Income	\$4,604	\$18,293	\$22,991	\$27,904	\$29,056	\$30,230	\$31,428	\$32,649	\$33,895	\$35,166
Net Income (Profit) Margin	8.65%	15.07%	15.59%	17.32%	17.72%	18.11%	18.49%	18.86%	19.23%	19.60%

Elsie Communications Inc.
Granton Broadband Infrastructure
Income Statement

With NE BB Grant

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Operating Revenues:										
End User Revenue	\$167,431	\$170,780	\$174,196	\$177,679	\$181,233	\$184,858	\$188,555	\$192,326	\$196,172	\$200,096
Grant Revenue	\$14,480	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233
Miscellaneous Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectible Revenue	\$50	\$51	\$52	\$53	\$54	\$55	\$57	\$58	\$59	\$60
Total Operating Revenues	\$181,861	\$180,962	\$184,376	\$187,859	\$191,412	\$195,035	\$198,731	\$202,501	\$206,347	\$210,269
Operating expenses:										
End User Cost of Services	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Plant Maintenance & Network Ops	\$28,716	\$29,290	\$29,876	\$30,473	\$31,083	\$31,705	\$32,339	\$32,985	\$33,645	\$34,318
Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation and Amortization	\$14,480	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233
Grant Depreciation	\$14,480	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233	\$10,233
Customer Operations	\$13,953	\$14,232	\$14,517	\$14,807	\$15,103	\$15,405	\$15,713	\$16,028	\$16,348	\$16,675
Corporate Operations	\$36,070	\$36,791	\$37,527	\$38,278	\$39,043	\$39,824	\$40,621	\$41,433	\$42,262	\$43,107
Operating Taxes	\$409	\$409	\$409	\$409	\$409	\$409	\$409	\$409	\$409	\$409
Total Operating Expenses	\$132,108	\$125,189	\$126,796	\$128,434	\$130,105	\$131,810	\$133,548	\$135,322	\$137,131	\$138,976
Operating Income	\$49,753	\$55,773	\$57,581	\$59,425	\$61,307	\$63,226	\$65,183	\$67,180	\$69,216	\$71,293
Operating Income Margin	27.36%	30.82%	31.23%	31.63%	32.03%	32.42%	32.80%	33.17%	33.54%	33.91%
EBITDA	\$64,233	\$66,006	\$67,814	\$69,658	\$71,540	\$73,459	\$75,416	\$77,413	\$79,449	\$81,526
EBITDA Margin	35.32%	36.47%	36.78%	37.08%	37.37%	37.66%	37.95%	38.23%	38.50%	38.77%
Fixed Charges										
Interest on Long-Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Fixed Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income before Taxes on Income	\$49,753	\$55,773	\$57,581	\$59,425	\$61,307	\$63,226	\$65,183	\$67,180	\$69,216	\$71,293
Taxes on Income	\$12,641	\$14,171	\$14,630	\$15,099	\$15,577	\$16,064	\$16,562	\$17,069	\$17,587	\$18,114
Net Income	\$37,112	\$41,602	\$42,951	\$44,326	\$45,730	\$47,161	\$48,621	\$50,110	\$51,629	\$53,179
Net Income (Profit) Margin	20.41%	22.99%	23.30%	23.60%	23.89%	24.18%	24.47%	24.75%	25.02%	25.29%

Elsie Communications Inc.
Grainton Broadband Infrastructure Improvements - Attachment G
Statement of Cash Flows

With NE BB Grant

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cash flows from Operating Activities:										
Net Margins	\$4,604	\$18,293	\$22,991	\$27,904	\$29,056	\$30,230	\$31,428	\$32,649	\$33,895	\$35,166
Adjustment to reconcile net margins to net cash provided by operating activities:										
Depreciation and amortization	\$10,284	\$25,634	\$30,699	\$30,699	\$30,699	\$30,699	\$30,699	\$30,699	\$30,699	\$30,699
Grant depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in current assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in current liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in long-term liabilities	(\$5,142)	(\$12,817)	(\$15,350)	(\$15,350)	(\$15,350)	(\$15,350)	(\$15,350)	(\$15,350)	(\$15,350)	(\$15,350)
Net cash provided by operating activities	\$9,746	\$31,110	\$38,340	\$43,254	\$44,405	\$45,579	\$46,777	\$47,999	\$49,245	\$50,516
	0%									
Cash flows from Investing Activities										
Capital expenditures	(\$171,404)	(\$84,423)	(\$0)	(\$0)	(\$0)	\$0	(\$0)	(\$0)	(\$0)	(\$0)
Grant capital expenditures	(\$171,404)	(\$84,423)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from sale (purchase) of investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net cash provided by investing activities	(\$342,808)	(\$168,846)	(\$0)	(\$0)	(\$0)	\$0	(\$0)	(\$0)	(\$0)	(\$0)
Cash flows from Financing Activities:										
Proceeds from new debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of new debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant Proceeds	\$171,404	\$84,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funding Deficit (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net cash provided by financing activities	\$171,404	\$84,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net increase in cash and cash equivalents	(\$161,658)	(\$53,313)	\$38,340	\$43,254	\$44,405	\$45,579	\$46,777	\$47,999	\$49,245	\$50,516
Cash and cash equivalents at beginning of year	\$0	(\$161,658)	(\$214,971)	(\$176,631)	(\$133,377)	(\$88,972)	(\$43,392)	\$3,385	\$51,384	\$100,629
Cash and cash equivalents at end of year	(\$161,658)	(\$214,971)	(\$176,631)	(\$133,377)	(\$88,972)	(\$43,392)	\$3,385	\$51,384	\$100,629	\$151,145

Elsie Communications Inc.
Grainton Broadband Infrastructure Im
Statement of Cash Flows

With NE BB Grant

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Cash flows from Operating Activities:										
Net Margins	\$37,112	\$41,602	\$42,951	\$44,326	\$45,730	\$47,161	\$48,621	\$50,110	\$51,629	\$53,179
Adjustment to reconcile net margins to net cash provided by operating activities:										
Depreciation and amortization	\$28,960	\$20,466	\$20,466	\$20,466	\$20,466	\$20,466	\$20,466	\$20,466	\$20,466	\$20,466
Grant depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in current assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in current liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in long-term liabilities	(\$14,480)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)	(\$10,233)
Net cash provided by operating activities	\$51,591	\$51,835	\$53,184	\$54,559	\$55,963	\$57,394	\$58,854	\$60,343	\$61,863	\$63,412
	0%									
Cash flows from Investing Activities										
Capital expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant capital expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from sale (purchase) of investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net cash provided by investing activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash flows from Financing Activities:										
Proceeds from new debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of new debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Funding Deficit (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net cash provided by financing activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net increase in cash and cash equivalents	\$51,591	\$51,835	\$53,184	\$54,559	\$55,963	\$57,394	\$58,854	\$60,343	\$61,863	\$63,412
Cash and cash equivalents at beginning of year	\$151,145	\$202,736	\$254,571	\$307,755	\$362,314	\$418,277	\$475,671	\$534,525	\$594,869	\$656,731
Cash and cash equivalents at end of year	\$202,736	\$254,571	\$307,755	\$362,314	\$418,277	\$475,671	\$534,525	\$594,869	\$656,731	\$720,143

Pro Forma Financial Assumptions

Market & Penetration Assumptions

Factor	Assumptions
Customers Passed - Project Area	
The proposed Nebraska grant project assumes 114 locations will be passed with fiber.	The total available locations to upgrade or newly serve were determined by engineering and mapping analysis of the area that identified areas that were below the minimum 25/3 speed threshold.
Connection Assumptions & Take Rates - Project Area	
Project Area	
Broadband Subscribers	Based on market analysis, it was assumed that 100% of the 114 locations would be upgraded or newly served, but only 70% would ultimately sign-up for service.

Income Statement Assumptions

Revenue Assumptions

Factor	Rationale (Cite Basis)
Broadband Data Service	Broadband revenues were developed by taking an average revenue per user (ARPU) times the number of new subscribers. The ARPU was developed by assuming that each new customer would subscribe to one of the current packages being offered by ECI. This includes 25/25 Mbps for \$134.95 per month, 55/55 Mbps for \$144.95 per month, and 100/100 Mbps for \$149.95 per month. The initial composite weighted average rate for new FTTTH subscribers is \$143.08.
Amortized Grant Revenue	Grant revenue is shown to be equal to the depreciation expense related to the grant funding so that the income statement shows a net zero effect of the grant assets.
Uncollectibles	Uncollectible revenue is estimated to be 0.03% of the projected revenues for each year. This is based on ECI's current operations.

Expense Assumptions

Factor	Rationale (Cite Basis)
Broadband Expense	Backhaul expenses and direct broadband expenses were assumed to be the equivalent of \$25 per month for the new subscribers.
Network Operations	Network Operations expense includes maintenance type expenses related to testing, trouble tickets, locates, etc. The projections include an incremental amount of expenses related to these functions as a percentage of revenues. As new customers are added, the level of expense increases as incremental revenues increase. Network Operations expense was estimated to be an average of 17.16% of gross operating revenues over the projection period.
Marketing Cost to Acquire	The cost to acquire is assumed to be \$100 per new subscriber. Marketing expenses are included for the ramp up period of turning up the customers and then drops to \$0.
Customer Expense	Customer Care & Billing are components of Customer Operations and are implicitly tied to revenues. Revenues, to a certain extent, are an indication of customer levels. As customers increase, revenue increase, and so will the amount of expense needed per customer. We assumed that relationship would stay relatively unchanged. Customer care expense was estimated to be an average of 8.34% of gross operating revenues over the projection period.
General & Administrative	General & Administrative expenses reflect a company's Corporate operations. Changes in G&A expenses mirror changes in revenue in order to maintain similar operating margins. Corporate G&A expense was estimated to be an average of 21.55% of gross operating revenues.
Operating Taxes	This represents all taxes other than Income taxes, mainly property taxes, and reflects the same level of operational efficiency in projected years as the company displayed in historical years. Property/Other taxes was estimated to be 0.08% of total Plant in Service.
Depreciation Expense	Fiber was depreciated over a 20 year life (5%), while the electronics had a 10 year life (10%). Over depreciation of asset accounts is not permitted.
Income Taxes	Earnings Before Taxes multiplied by the federal and state tax rate of 21% and 5.58%, respectively.

Pro Forma Financial Assumptions

Balance Sheet Assumptions

Assets Assumptions

Factor	Rationale (Cite Basis)
Cash	Cash equals liabilities and stockholders' equity less assets (except cash).
Plant in Service	This represents the project amount with a two year construction schedule. The PP&E is divided between the assets funded by the company, and the assets funded by the grant.
Accumulated Depreciation	This represents the accumulated depreciation related to the project. Accumulated depreciation grows by the current year's depreciation expense less retirements for each asset account until the asset is fully depreciated. Over-depreciation of assets is not allowed.

Liability Assumptions

Deferred Grant Revenues	The Deferred Grant Revenue is equal to the annual amortized amounts associated with the NBBP grant assets. The grant amounts are amortized over a weighted average useful life. This is used to net out the assets acquired with grant funds.
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Equity Assumptions

Retained Earnings	Retained earnings represents the company's earnings that have not been paid out or reinvested in the company. Retained Earnings were based on the previous year's level and adjusted for the current year by adding net income (loss).
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**Grainton Broadband Infrastructure Improvements - Attachment G
Financial Dashboard**

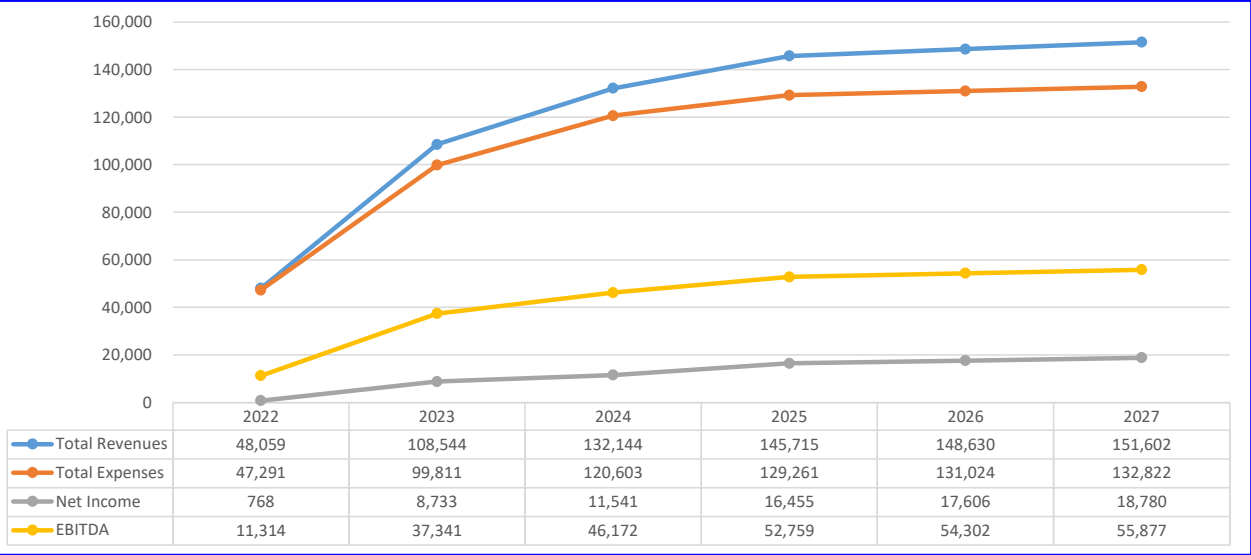
First Year Net Income Turns Positive	2022
Year Cumulative Net Income Turns Positive	2022

Year Cash Flow Turns Positive	2033
Cash Balance (after 20 years)	\$527,159

Total Capex Investment (w/o replacements)	\$511,654
% of Capex covered by Grant	0.00%
Portion of Capex covered by Grant	\$0
Portion of Capex covered by Company	\$511,654

Year Cumulative Net Income Surpasses Capex	2041
Year Cumulative EBITDA Surpasses Capex	2032

Net Present Value (after 20 years)	(\$58,300)
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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Connections											
Residential Broadband	50	61	72	72	72	72	72	72	72	72	
Business Broadband	6	7	8	8	8	8	8	8	8	8	
Total Connections	56	68	80	80	80	80	80	80	80	80	
Percentage Growth	NA	21.4%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Premises Passed											
	114	input									
Penetration Rate											
Residential Broadband	43.86%	53.51%	63.16%	63.16%	63.16%	63.16%	63.16%	63.16%	63.16%	63.16%	
Business Broadband	5.26%	6.14%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	
Total Penetration Rate	70.00%	59.65%	70.18%	70.18%	70.18%	70.18%	70.18%	70.18%	70.18%	70.18%	
		input									