

523 NIOBRARA AVE • PO BOX 246 HEMINGFORD, NE 69348 **308-487-5500 • BBC.NET** 

## **Mobius 23 NBBP Box Butte**

Project Business Plan-Attachment G

# **Company Information**

#### **Mission Statement**

We are a locally owned technology company providing high quality communications services to our customers through state-of-the-art facilities & dedicated personnel.

**Principal Members** 

Tonya Mayer, General Manager Years with Mobius -29

Susan Morava, Chief Financial Officer – Years with Mobius - 27

Nancy Swanson, Customer Service Years with Mobius - 27

Kory Haas, Director of Operations, Years with Mobius – 25

Chris Weber Plant Manager Years with Mobius – 21

Joni Jespersen, Grants Years with Mobius - 20

## **Legal Structure**

Mobius Communications Company is a for profit Nebraska Corporation created in 1997; as well as a Competitive Local Exchange Carrier (CLEC).

#### Locations

Mobius Communications Company is headquartered in Hemingford, Nebraska; Gering, Nebraska is a second location for technician deployment.

## **Executive Summary**

Mobius Communications Company is a wholly owned subsidiary of Hemingford Cooperative Telephone Company which was established in 1931; Mobius was founded in 1997, beginning in 1998 -1999, Mobius has buried over 850 miles to underserved and unserved residents. Mobius provides service to over 550 residents in rural Box Butte County.

To complete the Box Butte County project with the Bridge grant we will continue to use the same technologies we have used to deploy fiber in our other projects. Expanding on our previously completed projects; we will bring fiber optic service to over 51 rural residents of Box Butte County. We will deploy approximately 46 miles of fiber.

Mobius Communications has 25 years of experience upgrading and maintaining fiber optic networks. Our staff is well versed in dealing with fiber optic installation, maintenance and repair. From initial contact through installation and beyond, each department strives to provide the best service possible. Mobius' staff has extensive knowledge in obtaining County easements in the right of ways for the deployment of the fiber optic network.

Mobius not only deploys fiber in rural remote areas; our company is diversified and provides telephone service, internet service, TV service, and networking/IT services. This diversity in services allows the company to be stable even when one segment may be underperforming.

Mobius is very strong, financially, it has a variety of assets including cash reserves, inventory, investments, and fixed assets. Mobius has made significant investments in upgrading their network to fiber by completing a portion of their long-range goals each year. A fiber network has a long useful life and the maintenance costs are minimal once the fiber is installed. Once the upfront costs of installing the fiber are completed, Mobius will be able to maintain good cash flows.

## **Market Analysis**

## **Industry**

Mobius Communications Company is a proud member of the telecommunications industry; specializing in deploying broadband to remote rural areas and continuing the growth of fiber to the home in Box Butte County. Fiber optic specific data telecommunications will dominate the fiber optic market through 2030 according to a Fortune Business Insights report published in June of 2020. There is a continued desire for the huge demand for fiber products due to increased speed, reliability, and ability to carry more data than comparably sized standard wire/cabling.

#### **Customers**

Mobius targeted areas for deployment of buried fiber is western Nebraska. We provide rural customers with access to phone, internet, and television; the rural remote areas are the last sector to be served; the high costs to service these areas are not high on many telecommunications companies. The return on the cost to deploy fiber has a much longer return on the investment with most rural customers at 1 per square mile. We are unique to serving the unserved residents. We currently serve approximately 510 customers with fiber optic service to their homes or businesses. This project would add over 50 customers.

### **Company Advantages**

Due to our constant drive to expand our services, to the customers that need it most, we are well versed in obtaining the needed permissions from appropriate parties to complete additional projects with rarely any challenges.

Mobius Communications Company is well acquainted with the demands of our rural customers and their fiber optic service needs. We have deployed over 850 miles of buried fiber since 2010 and add to that total every year.

### **Product Longevity**

Mobius Communications fiber optic lines have a life span of 20-25 years minimum with an industry average being 40 years or more with properly installed lines.

# **Strategy & Implementation**

## **Marketing Strategy**

Marketing strategy is very simple! Fiber is coming!!! They have long been calling, begging for such extraordinary services. They know we are working hard to deliver broadband!

#### **Products & Services**



## **Pricing Structure**

Pricing with regards to our broadband services is as follows:

Speed Tier	Price includes modem to									
	connect devices to the Internet									
25 Mbps	\$ 40.00									
50 Mbps	\$ 60.00									
100 Mbps	\$ 85.00									
200 Mbps	\$115.00									
300 Mbps	\$145.00									
1 G	Call for Pricing									

## **Legal Challenges**

Mobius has been successful at both a county level and a state level in providing proper documentation and permits, working with the government entity for the area to provide minimal disruption; occurrences have happened where private easements have been sought; Mobius has worked with individual land owners to reimburse any crop damage and return the area to as normal a condition as possible. Mobius' staff is experienced in obtaining and recording these easements.

Mobius Communications requests County easements from County government and works with each county's road department to accomplish deployment goals and protect the county right of way. In cases where State easement is needed, Mobius receives a permit from the State Department of Roads which requires a deposit to be made upfront.

Fixed Fiber to the F	lome							M	IOBIUS 23	N	BBP_BBC	- 0	G6 Financi	ial	Analysis												
YEAR			1		2		3		4		5		6		7		8		9		10	5	YR TOTAL	10	YR TOTAL	20	YR TOTAL
TOTAL INVESTMENT			4 440 000		4 440 000		4 440 000	_	1.446.300	•	4 440 000	•	1.446.300		4 440 000	_	4 440 000		4 440 000		4 440 000	•	4 440 000		4 440 000	•	4 440 000
TOTAL INVESTMENT	Fiber		1,446,300 222,500	2	1,440,300	\$	1,446,300	\$	1,440,300	\$	1,440,300	\$	1,440,300	3	1,440,300	\$	1,446,300	5	1,440,300	\$	1,446,300	\$	222,500	\$	1,446,300 222,500	9	1,446,300 222,500
-	Plowing/Boring		800,000	\$	-	\$	-	S	-	\$	-	\$	-	\$	-	\$	-	\$	•	\$	-	\$	800,000		800,000	9	800,000
	Conduit			S		\$		\$		\$		\$		S	-	\$		\$	-	\$		\$	198.220	\$	198,220	4	198.220
	Hut		27.000	S		\$		\$		\$		\$		s	-	\$		\$		S		\$	27,000			S	27.000
	Splice Points		97.080			\$		\$	- 0	\$		\$		S		\$		S	-	S		\$	97.080	\$	97.080	0	97,080
	Central Office Equipment		20,000			\$		s	-	S	-	\$		Š		\$		Š		\$	-	\$	20,000	\$	20,000	\$	20,000
	Electronics		25,500			\$	327	s	-	Š		\$		s	320	\$		\$		\$	-	\$	25,500	S	25,500	\$	25,500
	Customer Premise Equip		51,000			\$	2=1	\$	-	\$	-	\$	-	s	540	\$	-	Š	-	\$		\$	51,000	\$	51,000	\$	51,000
	Engineering/Permits		5,000		-	\$	-	5	-	S		\$	-	S		\$	-	Š		S	-	\$	5,000	\$	5,000	\$	5,000
CUMMULATIVE DEPRE		-		S	267.010	\$	400.515	s	534.020	\$	667.525	\$	801.030	Š	934.535		1.068.040		1.201.545		1.335.050				1,335,050	\$	1.446.300
BOOK VALUE		\$	1,446,300	\$	1,179,290	\$	1,045,785	\$	912,280	\$	778,775	\$	645,270	\$	511,765		378,260			\$	111,250		778,775		111,250	\$	•
REVENUES						-		_		-				-						-		_		-			
KEVENOES	Data Revenue	•	36,720	•	36,720	•	36,720	•	36,720	•	36,720	•	36,720	s	36,720	•	36,720	•	36,720	•	36,720	•	183,600	s	367,200	•	734,400
	Local Phone Revenue		6,365		6,365			S	6,365		6,365		6,365	Š	6,365		6,365		6,365		6,365		31,824		63,648	Š	127,296
TOTAL REVENUES	Local Filone Revenue	S	43,085		43,085		43,085	\$	43,085		43,085		43,085	\$	43,085		43,085		43,085		43,085		215,424		430,848	\$	861,696
EXPENSES			072				- 10		7/				- 01		6/3		70						- V			_	
EXPENSES	CPE Expense		3,900		3.900		3.900		3,900	s	3.900	\$	3,900	-	3,900		3,900		3,900		3.900		19.500	*	39,000		78,000
	Depreciation		133,505	9	133,505			9	133,505	S		\$	133,505	9	133,505		133,505	2	133,505	9	133,505		667,525	\$		9	1.446.300
	Management			S	5.000		5.000	9	5,000	9		\$	5.000	S	5,000		5,000	0	5,000	9	5.000		25,000	4	50,000	0	100,000
	Accounting		1,000		1,000		1,000	9		S	1,000		1,000	S	1,000		1,000	4		\$	1,000		5,000	4	10,000	4	20,000
	Billing & Collection		989	S	989		989	9		\$		\$	989	S	989		989	Š	989	9	989		4,945	\$	9,890	9	19,780
	Internet Backhaul		2.800	S	2.800		2.800	S	2.800	s	2.800	\$	2.800	Š	2.800		2.800		2.800	S	2.800		14.000	\$	28,000	Š	56.000
	Help Desk		2.000	Š		\$	2.000	s	2,000	s	2.000	S	2.000	S	2.000		2,000	Š	2.000	S	2.000	\$	10.000	S	20,000	s	40.000
TOTAL EXPENSES	Their Beat	S	149,194	\$	149,194		149,194	\$	149,194	Š	149,194	\$	149,194	\$	149,194		149,194	\$	149,194	\$	149,194	Š	745,970	\$	1,491,940	\$	1,760,080
OPERATING INCOME (I	LOSS)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(530,546)	\$	(1,061,092)	\$	(898,384)
TAXES		\$	-	\$		\$		\$	-	\$	-	\$		\$		\$	-	\$		\$	-	\$		\$	-	\$	
NET INCOME		\$	(106,109)	\$	(106,109)	\$	(106,109)	\$	(106,109)	s	(106,109)	\$	(106,109)	\$	(106,109)	s	(106,109)	\$	(106,109)	\$	(106,109)	\$	(530,546)	\$	(1,061,092)	\$	(898,384)
OPERATING CASH FLO	w	\$	27,396	S	27,396	\$	27,396	\$	27,396	\$	27,396	\$	27,396	\$	27,396	\$	27,396	\$	27,396	\$	27,396	\$	136,979	s	273,958	\$	547,916
																										_	
	Grant =	S	1,084,725																								9
	Number of Customers =	717	51												-												- 6
	Approximately 46 miles	1									- 3								- 9								- 9