



*Governor's Office of Rural Broadband*

November 27, 2019

RE: Grant Application Guide  
Maryland Broadband Infrastructure Grant Program

Local Officials:

As you may be aware, the Maryland State Legislature provided \$9.68 Million in the FY2020 capital budget to the Department of Housing and Community Development to support the Office of Rural Broadband (Office) in its efforts to assist in expansion of broadband into unserved rural areas of Maryland.

Attached you will find a Grant Application Guide directed at Local Jurisdictions and their ISP partners interested in implementing Broadband Infrastructure Projects in unserved, rural areas. The Guide outlines the Office's intention to provide financial assistance in an amount not to exceed \$3 Million per application for up to 50% of the cost of capital construction projects. A minimum of \$9 million of State funding is available for this program. Local Jurisdictions and/or their partners should carefully review the eligibility requirements prior to making an application decision.

The response process is outlined in the Guide; responses are due by February 21, 2020. The Office is available to answer questions via phone or email, or to meet directly with applicants to discuss the RFI. Please contact Kenrick (Rick) Gordon, Director, at 301-429-7426 (office), 301-802-0671 (mobile) or [kenrick.gordon@maryland.gov](mailto:kenrick.gordon@maryland.gov).

Respectfully:

Kenrick M. Gordon, P.E.  
Director



# ***Maryland Broadband Infrastructure Grant Program***

## ***GRANT APPLICATION GUIDE***

---

Prepared by: Kenrick M. Gordon, P.E., Director

Publication date: November 27, 2019

---



LARRY HOGAN  
*Governor*

BOYD K. RUTHERFORD  
*Lt. Governor*



*Governor's Office of Rural Broadband*

# Table of Contents

---

Introduction and General Information .....	2
Major Definitions and Limits:.....	5
Applying for a Grant.....	7
Applicant Eligibility.....	7
Project Eligibility .....	8
Matching Funds Requirements.....	9
Completing the Grant Application .....	10
A. Broadband Grant Application Form and Other Documentation.....	11
B. Executive Summary of the Project .....	12
C. Scoring Criteria Documentation.....	14
D. System Design .....	15
E. Service Area Demographics .....	17
F. Scope of Work.....	18
G. Financial Information and Sustainability .....	19
H. Statement of Experience.....	30
I. Additional Funding.....	30

# Introduction and General Information

---

## **Governor's Office of Rural Broadband**

### **Maryland Broadband Infrastructure Grant Program**

The Governor's Office of Rural Broadband (the Office) was established by Executive Order to address the lack of broadband service in rural areas. The Office, housed at the Department of Housing and Community Development (DHCD), is committed to working with Maryland's local jurisdictions and Internet Service Providers (ISP's) to enable broadband service to be extended to rural, unserved households and businesses.

The Maryland Broadband Infrastructure Grant Program (Maryland Broadband Program) is intended to provide financial assistance to construct broadband infrastructure necessary to provide service at the Broadband Grant Speed in rural communities where broadband service does not currently exist. Grant funds may be used to construct infrastructure necessary to deploy service at the Broadband Grant Speed to rural residents, and rural businesses. Grants will be awarded on a competitive basis for entities to serve all premises in eligible rural areas at the Broadband Grant Speed to ensure rural consumers enjoy the same quality and range of broadband services as are available in urban and suburban communities.

The Office is providing up to \$9.5 million for this program. The program will provide grants for up to 50% of the capital construction costs for major broadband infrastructure projects in most areas. Some areas may qualify for higher funding amounts as provided herein. Projects applied for are expected to serve significant areas of unserved households and businesses.

Applications will consist of several written sections with a number of required worksheets and attachments. It will be prepared as described in this Guide. A non-binding letter of intent to apply is due to the Office no later than December 23, 2019.

## **When and Where to Submit Application:**

**GRANT applications must be submitted or postmarked by 11:59pm ET: February 21, 2020**

Applications must be submitted in one of the following ways:

Postmarked, shipped, or hand-delivered paper copy of a completed application, with original signatures, accompanied by an electronic version on a USB Flash Drive. Except for file formats specifically called out in this guide, files should be converted to pdf's prior to being loaded onto the USB flash drive. Each file should be named to clearly reflect the information it contains. The paper application and the USB Flash Drive may be submitted to:

**Kenrick M. Gordon, P.E.**

**Director, Governor's Office of Rural Broadband**

**Department of Housing and Community Development**

**7800 Harkins Road**

**Lanham, MD 20706**

## **Applications Delivered by Mail:**

Paper applications must show proof of mailing or shipping consisting of one of the following:

1. A legibly dated U.S. Postal Service (USPS) postmark;
2. A legible mail receipt with the date of mailing stamped by the USPS; or
3. A dated shipping label, invoice, or receipt from a commercial carrier showing the commercial carrier received the package on or before the application submittal deadline. Self-generated shipping labels where the actual pickup by the carrier occurs after the application submittal deadline are not acceptable.

If an application is sent through the USPS, neither of the following will be accepted as proof of mailing:

1. A private metered postmark; or
2. A mail receipt that is not dated by the USPS.

Applicants should note that the USPS does not uniformly provide a dated postmark. Before relying on this method, an applicant should check with its local post office.

## **Applications Delivered by Hand:**

Applications delivered by hand will be accepted daily between 8:00 a.m. and 4:00 p.m. (Eastern Time), except Saturdays, Sundays and State or Federal holidays. Individuals delivering applications must provide proper identification to enter the building.

**Applications Submitted Electronically:**

Applications may be submitted via email. If emailed, the message subject line should read “Broadband Infrastructure Grant Application – *your company name*”. Files should be attached as a zipped file to ensure data integrity. Except for file formats specifically called out in this guide, files should be converted to pdf’s prior to sending. Each file should be named to clearly reflect the information it contains. Emailed submissions may be sent to rural.broadband@maryland.gov.

**Applicants that submit their applications after the deadline noted above will be notified that their applications will not be considered for funding and their applications will be returned.**

Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Office, as long as such requests are made prior to, January 8, 2020. Technical assistance is not meant to create or edit an application, be an analysis or assessment of the quality of the materials submitted, a substitute for Office review of completed applications, nor a determination of eligibility, if such determination requires in-depth analysis. The Office will not solicit or consider scoring or eligibility information that is submitted after the application deadline. The Office reserves the right to contact applications to seek clarification information on materials contained in the submitted application.

## Major Definitions and Limits:

---

1. Grant Request Limits:
  - a. The minimum grant request amount is: \$1,000,000
  - b. The maximum grant request amount is: \$3,000,000
2. Broadband Speeds:
  - a. Broadband Service means any terrestrial technology having the capacity to provide transmission facilities that enable subscribers of the service to originate and receive high-quality voice, data, graphics, and video at the minimum data rate of twenty-five (25) megabits per second downstream and three (3) megabit per second upstream for internet fixed service. Any proposed service area that is currently served with broadband service is ineligible to receive funding.
  - b. Broadband Grant Speed means the minimum data rate of twenty-five (25) megabits per second downstream and three (3) megabits per second upstream (25x3) for fixed internet service that an applicant must propose to deliver to every customer in the proposed funded service area in order for the Office to approve a broadband grant.
3. Rural means an area within the 18 Counties and other areas as defined by Maryland Code, State Finance and Procurement Article, 2-207(a)(7) and (8).
4. Proposed Funded Service Area (PFSA) - Applicants define their PFSA by providing a map of the service area to the Office. The PFSA may be within a single or multiple county(ies). The entire PFSA must be rural with no Broadband Service available, but is not required to be contiguous. It is important to note that all premises (households & businesses) in the service area must be offered service at the Broadband Grant Speed.
5. Matching Fund Contribution - The match the applicant is required to contribute towards the project is a minimum of 50% of the total construction cost (100% of the requested grant amount). Except as outlined in the “Match Requirement” section, the match must be in cash and cannot be used to fund operational costs of the project. The match must be in the form of cash that is available or shown to be available at closing. In-kind contributions are not eligible to be used to satisfy the required match.
  - a. Exception – As outlined under the section “Matching Funds Requirements”, projects including areas designated as Sustainable Communities and/or Priority Funding Areas as indicated on the DHCD managed “Neighborhood Revitalization Mapper” (<https://portal.dhcd.state.md.us/GIS/revitalize/index.html>) have a reduced match requirement. All other service area eligibility criteria apply.

6. Capital Expenses - Grant eligible expenses are capital expenses defined as expenses that are capitalized. All grant eligible capital expenditures must be for new, non-depreciated items and can include the construction of outside plant, both last mile and middle mile and electronic equipment necessary to deliver service including equipment shelters, wireless radios and antenna and other capital costs that are directly necessary to provide broadband service to the end user. Purchase or construction of towers, land, or buildings or building renovations and tower upgrades are not allowable capital expenses, nor is the acquisition of facilities or companies. Laptops, handsets, tablets and similar customer devices are also not eligible expenses for the program.
7. Operating Expenses – Except as noted in the section “Matching Funds Requirements”, Operating expenses are not an eligible grant purpose. Operating expenses are any ongoing cost necessary for operating a business, system or network. This includes leases of any kind, bandwidth and spectrum expenses and salaries not directly related to the construction of the network including, but not limited to, salaries and overhead related to engineering, project management, accounting, administration or marketing.
8. End User means the premise passed by the broadband network, be it a household, business or other use. The end user may or may not be a subscriber to the service offered by the broadband network.

# Applying for a Grant

---

## Grant Processing

Completed applications must be postmarked, hand-delivered or received via email by 11:59pm ET on February 21, 2020 in order to be considered for funding.

**One proposal per applicant per local jurisdiction is eligible. If an applicant submits more than one proposal within a local jurisdiction, then the Office will contact the applicant to determine which application should be reviewed. Applicants may submit separate applications for separate local jurisdictions or may combine jurisdictions within an application. Applicants who receive an award will not be eligible to submit a future application within the awarded local jurisdiction until the construction related to the award is complete and the grant closed or two years, whichever is later.**

## Applicant Eligibility

Only entities legally organized as one of the following are eligible for funding:

1. A Maryland local jurisdiction;
2. Incorporated organization that is recognized as a partner by the local jurisdiction;
3. Any other legal entity, including a cooperative, private corporation, or limited liability company organized on a for-profit or not-for-profit basis that is recognized as a partner by the local jurisdiction.

**NOTE: The applicant may not be an individual or partnership.**

Applicants must have the legal capacity and authority to own and operate the broadband facilities as proposed in the application, to enter into contracts and to otherwise comply with applicable state statutes and regulations. If the applicant is seeking to partner with another entity to operate the system, an agreement or draft agreement to do so must be provided with the application. This agreement must address the specific financial terms of this partnership and the specific entity or entities must be identified along with their qualifications to operate the system. Applications that rely on such a relationship but do not provide pertinent details will be rejected, as the Office cannot determine the technical and financial feasibility of the project lacking such information. The Office may consider an application based on such an agreement submitted with the application, but if the application is ultimately awarded, the Office reserves the right to require modifications to such agreements if they are found to contain terms that are unacceptable to the State of Maryland.

## Project Eligibility

To be eligible for a grant, the Project must:

1. Submit a non-binding letter of intent to submit an application. A sample letter is included as Schedule A-3 and must be signed by an officer or official having authority to sign on behalf of the company or local jurisdiction. This letter of intent must be submitted or postmarked by 11:59pm ET on December 23, 2019 and can be sent via email to rural.broadband@maryland.gov with an email subject line of: "Broadband Infrastructure Grant Letter of Intent *your company name*". Letters will also be accepted by mail. Mail to:

**Kenrick M. Gordon, P.E.**

**Director, Governor's Office of Rural Broadband**

**Department of Housing and Community Development**

**7800 Harkins Road**

**Lanham, MD 20706**

2. Serve a Proposed Funded Service Area (PFSA) where Broadband Service does not currently exist, to be verified by the Office prior to the award of the grant. The PFSA must be entirely within an eligible rural area. When determining if a PFSA has no existing Broadband Service, applicants are encouraged to review all available resources including conducting field research. The applicant is responsible for ensuring the lack of broadband service within the PFSA.
3. Offer service at the Broadband Grant Speed to **all** residential and business customers within the PFSA.

## Eligible Grant Purposes

***NOTE: Costs incurred by the applicant, or others on behalf of the applicant, for facilities, installed equipment, or other services rendered prior to submission of a completed application, shall not be considered as eligible grant or match purposes.***

Grant funds may be used to finance:

1. The construction of facilities used to deploy service at the Broadband Grant Speed to **all** end users located within the PFSA.
2. Middle mile infrastructure directly necessary to provide service to an end user.
3. Electronics necessary to deliver service to an end user including, but not limited to, OLT's, ONT's, routers, switches, firewalls, wireless radio equipment, antennae, access points and any necessary equipment cabinets or shelters. Customer installation and equipment

beyond the ONT or fixed wireless antenna is not an eligible purpose.

4. All grant funded costs must be capital expenses with the final asset being owned by the applicant.

**NOTE: All equipment purchased for this Project must be new and non-depreciated.**

### **Ineligible Grant Purposes**

1. Duplication of any existing Broadband Service provided by other entities.
2. Middle mile infrastructure not directly necessary to provide service to an end user.
3. Expenses related to the provision of telephone or video service which are not necessary for the delivery of broadband services.
4. The purchase of towers, land or buildings, building renovations, tower construction or tower improvements.
5. Operating expenses are ineligible.

### **Matching Funds Requirements**

When the application is submitted, except as noted herein, the awardee must provide or demonstrate available cash reserves equal to at least 100% of the total amount of financial assistance being requested.

1. **Exception:** For projects where at least 20% of the total PFSA served households and businesses are located in Sustainable Communities and/or Priority Funding Areas as shown on the DHCD managed Neighborhood Revitalization Mapper found at (<https://portal.dhcd.state.md.us/GIS/revitalize/index.html>), the match requirement may be reduced to 25% of the eligible project capital construction costs (1/3 of the grant request). The 20% of the total PFSA criteria is to be measured by households to be served by the project. The request for a reduced Match must be requested and fully detailed in the Executive Summary and on the Application Form.
2. **Exception:** An exception to the Match requirement may be made for applicants applying for federal funding and requesting that the federal funds be considered as Match. This exception must be clearly requested in the Executive Summary and on the Application Form. If the exception is requested, a full description of how the grant funds will be used with the potential federal funding must be included in the Executive Summary portion of the application. If the application is selected for an award, a suitable letter pledging the State funding will be issued in-lieu-of a grant agreement until the Federal funding is

awarded. Once Federal funding is awarded, a suitable grant agreement will be issued for the State funding.

3. **Exception:** A maximum of three years of the cost of backhaul service to be provided by the Maryland Broadband Cooperative (MBDC) may be included as Match and considered a credit towards the Match at the start of the pro-forma. A draft of the agreement between the MBDC and the applicant indicating the cost of backhaul service must be included with the application. Grants funds may not be used to pay for the backhaul service.
4. **Exception:** The construction cost for tower construction or the cost of tower structural improvements necessary to provide service to an end user can be considered match and credited towards the Match at the time of the construction activity. However, the purchase of towers is not an eligible match or grant purpose. Constructed towers must be owned by the applicant.

Except as stated herein, matching funds must be in the form of **cash** and may only be used for eligible capital expense related to the project.

Ineligible sources of matching contributions:

1. Manufacturer or vendor discounts.
2. In-kind contributions.
3. Income generated from the proposed project.
4. All non-cash items.

### **Completing the Grant Application**

This section addresses all of the information that must be submitted in order for an application to be deemed complete and considered for funding. Please make sure that all the necessary information is included in the appropriate section.

- A. Broadband Grant Application Form and Other Documentation
- B. Executive Summary of the Project
- C. Scoring Criteria Documentation
- D. System Design
- E. Service Area Map and Demographics
- F. Scope of Work
- G. Financial Information and Sustainability

- H. Statement of Experience
- I. Additional Funding

Only entities legally organized as one of the following are eligible for funding:

1. A unit of local jurisdiction;
2. Incorporated organization recognized as a partner by the local jurisdiction;
3. Other legal entity, including a cooperative, private corporation, or limited liability company organized on a for-profit or not-for-profit basis that is recognized as a partner by the local jurisdiction.

***NOTE: In order to be considered a recognized partner, the applicant must submit a letter from the local jurisdiction identifying the applicant as a partner and outlining the partnership including any resource sharing, financial commitments or other offers of assistance. Any legal agreements between the local jurisdiction and the applicant should also be included.***

#### **A. Broadband Grant Application Form and Other Documentation**

Complete the Broadband Grant Application Form (Schedule A-1).

Attach your entities IRS W-9 Form (Schedule A-2).

Submit your Letter of Intent - due by December 23, 2019 (Schedule A-3).

Provide acceptable evidence of good standing, legal existence and jurisdictional partnership (when applicable).

**Local Jurisdictional Partners** must provide a letter from the sponsoring jurisdiction acknowledging the partnership. The letter must document the extent of participation and any support offered by the Local Jurisdiction. Any legal agreements between the Local Jurisdiction and the applicant should also be included, whether draft or final. If multiple Local Jurisdictions are included in the PFSA, documentation from each Local Jurisdiction must be provided.

**Corporations or LLCs** must provide evidence of good standing in accordance with the laws of the State. Proof of good standing with The State of Maryland can be evidenced by providing a printout of The Maryland Department of Assessments and Taxation corporate general information page showing that the business is in good standing.

**Your DUNS Number is your proof of legal existence. The Entity Name, W-9 and DUNS Number must be for the applicant and match across documents. The information cannot be for a parent, subsidiary or other affiliated entity.**

Evidence of tax status from the Internal Revenue Service or a state department of taxation is not evidence of legal existence.

**Applications that do not demonstrate both the applicant's legal existence and its good standing with The State of Maryland will be returned as ineligible.**

**Local Jurisdictions** recognized by the Maryland Manual On-Line website (<https://msa.maryland.gov/msa/mdmanual/01glance/html/locgov.html>) are recognized as having legal existence.

**All applicants must attach a current IRS Form W-9 to the application form.**

## **B. Executive Summary of the Project**

The Executive Summary of the project is one of the most important parts of the application. It gives the Office its first overall view of the area to be served, what problems the residents face, and how the proposed project will help alleviate those problems, increase quality of life, and provide enhanced opportunities for businesses and rural residents. This is your opportunity to discuss the core aspects of the project and why you think the project deserves funding. Be clear and provide convincing links between the project and the benefits to the Proposed Funded Service Area (PFSA).

**The Executive Summary must provide a general project overview covering the following six categories:**

1. A description of the PFSA and why the project is needed including the number of households and businesses past;
  - a. If the whole or a portion of the PFSA is included within a Sustainable Communities and/or Priority Funding Area, provide detail of the population being served within that community including the number of households and businesses located within the area.
2. A description of the applicant that includes, but is not limited to, the history of the organization and any past or current projects and community related activities or awards. If the applicant is not a local jurisdiction, but is a partner to a local jurisdiction, provide a description of the partnership including how the partnership was developed and any financial or shared resource commitments;
3. An explanation of the total Project costs;
4. A general overview of the broadband system to be constructed, including the types of equipment, technologies, and facilities that will be used;
5. Documentation describing the procedures used to determine the lack of existing Broadband Service in the PFSA. Applicants are encouraged to contact the local phone and video providers serving nearby areas outside the PFSA in order to confirm the lack of Broadband

Service. In order to provide this documentation, applicants can complete a table similar to the following:

<b>Resource</b>	<b>Contact Person</b>	<b>Results</b>
Local WISP Serving Within the County	Network Engineer	Confirmed that 25x3 service was available only within 1 mile of their towers
FCC mapping	N/A	Consulted FCC data and it does not appear that Broadband Service is available within the PFSA.
Local Phone Company	VP of Operations	The VP of Operations confirmed that the company does not offer, nor do they intend to offer, Broadband Service anywhere in the PFSA.
Local Cable TV Company	President	The President confirmed that the company does not offer, nor do they intend to offer, Broadband Service anywhere in the PFSA.

**Publicly Releasable Information:**

At the end of the Executive Summary, please provide a section labeled “Publicly Releasable Project Description” which contains the following information:

1. Title of Project
2. Proposed Funded Service Area Description
3. Brief Description of Project

Any information included in this section may be released to interested parties inquiring about your application including news media and the public, so please provide an adequate description of the project, but do not include any information you would object being publically available.

**Clearly denote the section which you agree is publicly releasable, including where the releasable description begins AND ends.**

**Note:** Notwithstanding the above, Applicants are advised that, upon request from a third party under the Maryland Public Information Act (Maryland Code, General Provisions Article, §§ 4- 101 through 4-601), the Department is required to make an independent determination as to whether

any information contained in any particular application may or must be disclosed. Confidential commercial information, trade secret information, and confidential financial information are exempt from disclosure under the Act.

### **C. Scoring Criteria Documentation**

The ranking of the Project will be based on documentation provided in support of the scoring criteria.

***Cost per premise past:*** Using the total infrastructure construction cost estimate and the subscriber base (premises past), provide a cost per premise past for the project. The grant cost per premises past should also be included. This cost should only include outside plant and related construction, it should not include customer installation costs. A brief narrative describing how the number of premises past was determined should be included.

***Grant to Match ratio:*** The grant to match ratio is calculated by dividing the match provided by the project (regardless of source) by the grant requested. Except as detailed in the Match Section above, the minimum ratio is 100%. Additional points will be provided for ratios above 100% or 33.33% for excepted projects. Projects with ratios below 100%, or 33.33% for excepted projects, will be rejected aside from otherwise qualifying projects as described in the Match Section.

***Applicant experience:*** Qualifications and ability of the key personnel who will construct, manage, and operate the broadband system. Include any past experiences and successes of operating a broadband system that is similar to the proposed broadband system. If the applicant is a local jurisdiction with an operating partner, include information from all parties.

***Local jurisdiction and public participation:*** Document the local jurisdictional involvement in planning and implementation of the Project. If a local jurisdiction is applying directly, they will receive due credit for local jurisdictional participation.

The application should include other evidence of local public involvement in such activities as community meetings, public forums, and surveys. Preference will be given to applications that show support from residential, business, and local, state or Federal interests shown to be within the PFSA applied for. Support letters provided, if any, should be from those located within the PFSA and should address specific needs and benefits the writer believes they will receive from the proposed project.

Copies of letters notifying the State Senator(s) and Delegate(s) representing the PFSA of the project's application must be included.

***Affordability and Service Limitations:*** The ability of the households included in the project to afford and use the service to be offered. Preference will be given to the proposed monthly cost of 25x3 service compared to the most recent and available median household income for the county

where the PFSA is located. For projects proposed in multiple counties, an average of the ratios will be used.

Projects offering low-cost service to income qualified households will also be given preference.

Additional preference will be given to projects without monthly data limitations. Data limitations include reduction of speeds when a data limit is reached.

***Readiness to build, operate and maintain the project:*** Demonstration of the applicant's readiness to build as evidenced by the engineering and design contained within the system design portion of the application, provided construction cost estimate, secured financing (if required), other approvals secured or in process (e.g. environmental, historic, FCC, etc.) and a thorough and complete project schedule.

Demonstration of the applicant's ability to operate and maintain the project as evidenced by the pro-forma cash flow and balance sheet.

***Note: Director's Consideration***

In making the final selection among and between applications with comparable rankings, the Director may take into consideration the characteristics and need of the PFSA. Only information that is provided in the application will be considered; therefore, the Office strongly encourages the applicant to specifically address each of the following criteria to differentiate their application(s) from other applications:

- a. Median income of counties that will be served within the PFSA. Comparison of the county median income with the median income of State may be considered;
- b. Out-migration communities (continuous movement of population out of the community) that will be served within the PFSA;
- c. The rurality of the PFSA;
- d. The speed of broadband service that is offered to all the subscribers in the PFSA;
- e. Any other items that will further the efforts of the State in providing broadband to those most in need.

**D. System Design**

The system design contains all the technical information on the applicant's existing (if applicable) and the proposed system. The following information must be included in this section:

1. A detailed description of the **existing** network, if applicable, which includes the following:
  - a. The **current** service area(s);  
*An electronic .shp or .kml/.kmz file map showing existing service area(s) including boundary data for each area must be included with the application.*

- b. The types of services (voice, video and/or data) offered and the number of subscribers taking each type of service;
- c. The total number of end users served;
  - i. For wireline networks, specify the number of end users passed with the network;
  - ii. For wireless networks, specify the total number of end users covered by the network;
- d. The types of technologies used in the network;
- e. A description of the current connection to the Internet Service Provider (ISP).

***NOTE: When designing and constructing the network proposed in the application, the applicant must adhere to all federal, state, and local requirements. Therefore, the System Design must be prepared by a qualified PROFESIONAL ENGINEER licensed in Maryland or by qualified personnel on the applicant's staff with experience in designing the type of broadband system proposed in the application.***

- 2. A detailed description of the **proposed** network which includes the following:
  - a. The PFSA as proposed in the application;
 

*An electronic .shp or .kml/.kmz file map showing the PFSA including boundary data for each area must be included with the application. If multiple PFSA's are included in the application, each must be placed on a separate layer within the electronic file.*
  - b. Any upgrades that will be made to the existing network, if applicable; (grant and match funds are only eligible for use in rural, unserved areas);
  - c. The types of technology to be deployed in the PFSA and how the technology will facilitate the offering of service at the Broadband Grant Speed (including technology standards, whether the technologies are in current use and manufacturers of the technology);
  - d. The estimated number of end users to be offered service. Provide detailed engineering justification showing that all end users within the PFSA will be offered broadband service at the Broadband Grant Speed when the system is complete.
    - (a) For wireline networks, specify the number of end users passed with the network.
    - (b) For wireless networks, specify the total number of end users covered by the network, any assumptions regarding foliage and obstructions, and the engineering justification for those assumptions;
  - e. The types of services (voice, video and/or data) to be offered in the PFSA and the number of subscribers expected to take each type of service. If you are assuming

“over-the-top” services, include a description of the service provider or potential service provider and how you will deliver the service from a technical (peering, caching) and business (marketing, contracts) perspective.

3. A description of the proposed connection or connections to the upstream Internet Service Provider (ISP) and any changes needed to the existing system to accommodate additional capacity, including capacity, data center connection, and whether and how resiliency and redundancy are built into the connection(s).
4. A description of the design parameters used in engineering the system. Examples include oversubscription ratio calculations, bandwidth consumption per user, link loss, data rates per link, redundancy requirements, and component technical specifications.
5. A description of any licenses and/or agreements required to construct and operate the network and the status of securing those licenses/agreements. These may include, but are not limited to, pole attachment agreements, rights-of-way agreements, spectrum licenses, fiber lease agreements, capacity lease agreements, antenna site agreements and franchise agreements.
6. A network diagram (Schedule D-1) of the applicant’s existing network (if applicable) and the proposed network. This diagram shall be a block diagram that clearly shows how the traffic flows through the network from the interconnection points with the backbone service providers to the end users. The following information must be shown on the network diagram:
  - a. The location of all major network elements;
  - b. The route miles between each network element;
  - c. The bandwidth capacity between the network elements;
  - d. The types of facilities (fiber, copper, microwave, etc.) that are or will be used for establishing the connection between the network elements and the points-of-connection with the backbone service providers;
  - e. The location of any leased facilities and the owner of these facilities.
7. A description of the three main areas of risk in the project and the applicant’s plan for addressing each.

## **E. Service Area Demographics**

If the PFSA is not contiguous, each subarea must be given a separate, distinct name and that name must be used consistently throughout the application. Demographic information, including the total population and the total number of households and the businesses that are located in each subarea, must be provided. The same information must be provided for the complete PFSA. These statistics should be obtained from the most recent data available from the U.S. Census

Bureau at [www.census.gov](http://www.census.gov). Below is a suggested format for providing the demographic information as part of this section.

Subarea Name	Population	Households	Businesses
<b>PFSA Totals</b>			

## F. Scope of Work

The scope of work must include the following:

1. A description of the specific activities and services to be performed under the project.
2. Who will carry out the activities and services? Indicate whether construction will be performed by in-house or contracted services.
3. A construction build-out schedule and project milestones, showing the time frames for accomplishing the Project objectives and activities on a quarterly basis (Schedule F-1). This schedule should list all the major network build-out phases and milestones to demonstrate that the network deployment will be completed and the grant purposes will be fulfilled within the designated grant period as well as assumptions regarding equipment supply chain. A sample format is available for download at <https://dhcd.maryland.gov/ruralbroadband>
4. A detailed budget (Schedule F-2) of all expenditures related to eligible Grant purposes. The budget should include a descriptive name for each capitalized item or group of items in each category whether grant eligible or not. The budget will also note if the costs will be funded by grant funds and/or other sources of funding. A budget form is included in this section, and available for download as an Excel file at <https://dhcd.maryland.gov/ruralbroadband>. Applicants **must** provide their budget in this same format, modifying or adding lines as necessary to provide sufficient detail to evaluate your proposal. A sample budget is available at <https://dhcd.maryland.gov/ruralbroadband> and a brief description of each budget category is provided on the sample budget to assist in determining which items should fall under each category, though applicants should modify this description to address the specific items included in the project budget.

***NOTE: Any ineligible items included in the budget will not be considered for grant funding and could affect the eligibility of the application. All capital expenditures necessary for carrying out the project must be included in the budget, whether the costs will be funded with grant funds or not. Grant application budgets will also be reviewed to determine cost allowability.***

**Schedule F-1 and F-2 must be submitted electronically as both a pdf file and an electronic Excel spreadsheet.**

### **G. Financial Information and Sustainability**

The applicant must provide a narrative description demonstrating sustainability of the project from the commencement of the construction to completion and beyond the grant period; the sufficiency of resources; how the matching requirement is met; and the expertise necessary to undertake and complete the project. The following financial information is required:

1. If the applicant is an existing company, it must provide complete copies of audited financial statements, if available, for the two fiscal years preceding the application submission. If audited statements are unavailable, the applicant must submit unaudited financial statements for those fiscal years. This information must be provided separately from the Pro-Forma workbook provided by the Office as Schedule G-1. Applications from start-up entities must, at a minimum, provide an opening balance sheet dated within 30 days of the application submission date.
2. Annual financial projections in the form of a balance sheet, income statement, and statement of cash flows for a forecast period of five years, which prove the sustainability of the project for that period and beyond. This Pro-Forma Financial Forecast must be inclusive of the applicant's existing operations and the proposed project, and must be supported by a detailed narrative that fully explains the methodology and assumptions used to develop the projections, including details on the number of subscribers projected to take the applicant's service. Applicants should use the provided workbook, Schedule G-1, to provide these annual financial projections. A copy of the template is available <https://dhcd.maryland.gov/ruralbroadband>.
3. **Exception:** If the applicant is a publically traded company, three years of publically available audits, balance sheets, income statements, cash flow statements and corporate projections may be substituted for the pro-forma. For this application, a publically traded company is a company whose ownership is organized via shares of stock that are intended to be freely traded on a stock exchange. This exception does **not** relieve the publically traded company from any other application requirements.

Schedule G-1 includes separate worksheets, consisting of a Data, fixed Assets and Depreciation, Debt Activity, Grant Activity, Income Statement, Balance Sheet, and Statement of Cash Flows worksheets. The schedule is completed by starting with the DATA worksheet, completing all the relevant information and moving onto the next worksheet and so on. Progressing in this manner will pre-populate much of the financial forms.

**Schedule G-1 must be submitted as a pdf and an Excel Spreadsheet.**

The financial forecast must cover at least five years and be inclusive of **all** operations of the

applicant (existing and proposed). It will be used by the Office to determine whether the proposed project is financially feasible and sustainable and whether this is a viable operation.

The projections must include detailed financial assumptions, included as Schedule G-2, taking into account the applicant's best estimates for start-up costs (if any), revenues, expenses, ability to make a profit and all financial data related to any subsidiaries. Each row of the income statement, balance sheet and statement of cash flows that has projections included must include an entry on Schedule G-2 explaining the assumptions used to provide the projection. Additionally, the subscriber projections contained in the DATA tab drive the revenue on the Income Statement, the forecast of subscriber projections should be sufficiently explained. Schedule G-2 is expected to be in the form of a narrative with any calculations presented appropriately.

***NOTE: It is the applicants' responsibility to ensure they have sufficiently demonstrated the feasibility of their projects and existing operations, if applicable.***

### **Tips for Successful Application**

- Ensure that the appropriate Schedule is prepared by a financial consultant, accountant, or other individual qualified to prepare financial forecasts.
- Follow the guidance on developing financial projections in this section.
- Ensure that the Office can determine exactly how every line item was calculated in each forecast year.
- Ensure that the information you provide is consistent with the details of other sections in your application. This includes historical financial statements, subscriber projections and service tiers, and Scope of Work.
- Pro-Forma financial statements must be for the applicants and co-applicants, not for parent organizations.

### **General Pro-Forma Financial Forecast Guidance**

Every Pro-Forma Financial Forecast consists of an Income Statement, Balance Sheet, and Statement of Cash Flows. Columns should be clearly labeled with the appropriate year. Start-up organizations can leave the historical columns blank, except for the opening Balance Sheet, which should be included in the historical column immediately prior to the forecast years.

Historical and forecast years can be based on either calendar years or fiscal years, but if the applicant reports by fiscal years, the applicant should note the fiscal year period in the Assumptions that must accompany the Pro-Forma Financial Forecast.

Schedule G-1 is an Excel spreadsheet that includes tabs for subscriber projections and expense assumptions data, fixed assets and depreciation input, debt service input, grant costs, income statement, balance sheet and statement of cash flows. The spreadsheet should be reviewed in its

entirety prior to beginning input. The tan colored cells are for user input, the white cells populate based on input. Assume calendar year for the fiscal year and a third quarter, 2020 project start.

The following provide guidance for worksheet completion by tab:

### **Data**

Provisions for input of subscriber forecast and rates for each type of potential product are included. The projections should match the information provided in other parts of the application.

The next portion of the spreadsheet allows for the projection of cost related to grant construction and the projected percent increase or decrease of an expense category year by year. This input is used as input for the later sheets. There are “blank” rows to allow additional categories to be added, if necessary.

The last part of the spreadsheet allows the input of your projected tax rate used to calculate the income tax portion of the Income Statement.

How each assumption was reached must be explained in detail on the Financial Assumptions worksheet (Schedule G-2).

### **Fixed Assets and Depreciation**

This spreadsheet provides for the input of existing and grant related plant and equipment costs and calculates the straight-line depreciation for inclusion on the balance sheet. Plant and equipment necessary for any expansion or improvements to the existing network are input separately from the grant related assets. The plant and equipment costs for the grant related assets should be the same as shown on the capital budget worksheet (Schedule F-2). Straight-line depreciation is the only acceptable depreciation for the application.

### **Debt Activity**

Debt activity is existing and new borrowing by the applicant. Principal and interest payment amounts for existing and new debt are entered in their respective areas.

### **Grant Activity**

The grant activity worksheet provides information to populates the deferred grant revenue category on the Balance Sheet. The plant and equipment costs for the grant related assets should be the same as shown on the capital budget worksheet (Schedule F-2).

## **Pro-Forma Income Statement Guidance**

The tab pre-populated with preferred revenue and expense categories. Applicants must use these exact categories in order to facilitate the processing of applications. Applicants can use their Financial Assumptions worksheet (Schedule G-2) to provide any detail they feel is necessary to explain how the revenue and expenses per line were established for those cells that are not populated by one of the previous worksheets.

The following is a brief description of the pre-populated revenue and expense categories contained on the Income Statement worksheet in this template.

### **OPERATING REVENUES**

1. Operating Revenues:
  - a. Broadband Service revenues are derived from the provision of broadband data services to customers. Broadband service revenues should relate to the number of subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions. Present broadband service revenues for existing services and grant funded service separately.
  - b. Video Service revenues are derived from the provision of video services to customers. Video service revenues should relate to the number of video service subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions. This should include set-top box revenue, basic, expanded basic, digital, premium channel packs and video on demand subscribers. Present video service revenues for existing services and grant funded service separately.
  - c. VoIP (Voice over Internet Protocol) revenues are derived from the provision of local voice services to customers. Local voice service revenues should relate to the number of local voice service subscribers and price per subscriber information contained in the Pro-Forma Financial Assumptions. This should include revenue from residential, single-line businesses, multi-line businesses, and optional features. Present VoIP service revenues for existing services and grant funded service separately.
2. Other Operating Revenues are all other revenues derived from sources other than those described above. These revenues may be from middle mile transport, customer installation charges, sale of equipment to customers, or other revenue sources. Present Other Operating Revenues for existing services and grant funded service separately.

### **OPERATING EXPENSES**

1. Backhaul expenses are associated with transporting voice and broadband data network traffic from the customer premises equipment (CPE) to the point of interconnection to the Internet.

2. IP/Interconnection expenses are associated with interconnecting with and transferring traffic across the Internet.
3. Video Content Costs are related to the provision of video services revenue and consist of video programming costs and fees.
4. Spectrum expenses are related to leasing spectrum from others in a wireless services network. Amortized spectrum acquisition expenses related to purchased spectrum should be included in the Amortization Expense category described below.
5. Network Maintenance/Monitoring expenses are the personnel and related costs of maintaining/monitoring the network and customer premises equipment.
6. Utilities expense is the cost of utilities related to network operations.
7. Sales/Marketing expenses are all costs associated with marketing to and obtaining customers and subscribers, including salesperson compensation, advertising and marketing promotions, and subsidies on customer premises equipment or handsets.
8. Customer Care expenses are the personnel and related costs of providing customer service operations to customers.
9. Administrative Labor expenses include personnel, occupancy, insurance, billing and collections.
10. Administrative Other expenses include all other general and administrative expenses.
11. Other Operating Expenses are all other operating expenses not included above.
12. Blanks 1-3 are provide should it be necessary for the applicant to provide additional Operating Expense Categories.
13. Amortization Expense is the amortization expense associated with intangible assets such as franchise agreements, lease agreements, service contracts, customer lists, order backlog, computer software. Present the Amortization Expenses for existing services and grant funded service separately.
14. Depreciation of Grant Assets is the depreciation expense related to all plant in service associated with the proposed Maryland Broadband Infrastructure Grant project. The depreciation method required for the purposes of this proforma is straight-line depreciation.
15. Depreciation Existing Assets is the depreciation expense related to the plant in service not associated with the proposed Maryland Broadband Infrastructure Grant project. The depreciation method required for the purposes of this proforma is straight-line depreciation.

## **Other Income (Expense)**

1. Interest Income is interest income earned from marketable securities and/or cash.
2. Amortized MD Broadband Grant Revenues are recognized from the MD Broadband Grant Program or other grants.
3. Other Income (Expense) is the net income (expense) derived from sources other than the applicant's primary telecommunications operations.
4. Gain (Loss) on Disposal of Assets is the net difference between the original asset cost and any accumulated depreciation.
5. Gain (Loss) on Marketable Securities is the net total realized and unrealized gain or loss for the period as a result of selling or holding marketable securities.
6. Interest Expense – Existing Debt is the interest cost associated with all existing outstanding debt, if any.
7. Interest Expense - New Debt is the interest cost associated with the applicant's new interest-bearing debt, if any.

## **Pretax Income**

1. Federal and State Tax expenses are the costs incurred for federal and state income taxes and any other similar taxes levied on the company.

**Net Income (Loss)** represents the net income (loss) for the historical or forecast year.

**EBITDA** represents earnings before interest, taxes, depreciation, and amortization.

## **Pro-Forma Balance Sheet Guidance**

The Pro-Forma Balance Sheets must comply with basic GAAP requirements that state Total Assets must equal Total Liabilities and Total Equity, and loans are reflected with current and long-term positions for each Pro-Forma year. The following is a brief description of the pre-populated balance sheet categories contained on the Balance Sheet worksheet in this template.

## **ASSETS**

### **Current Assets**

1. Cash includes all restricted and non-restricted cash balances.
2. Accounts Receivable consists of amounts owed by customers and subscribers from the provision of services or the sale of equipment.
3. Prepaid Expenses are those expenses that are paid in advance such as insurance, leases, taxes, etc.
4. Inventory expenses are related to inventory acquired for future and ongoing work as well as the cost of storing the inventory.

5. Marketable Securities consists of all short-term investments of excess cash not required for on-going operations.
6. Maryland Broadband Grant Receivable are those funds due from grant expenditures but not yet received.
7. Other Current Assets consists of all other current assets not included above..

### **Other Assets**

1. Other Assets consists of all other non-current assets not included elsewhere.
2. Amortizable Assets consists of intangible assets amortized over their useful life.
3. Accumulated Amortization is the total sum of amortization expense recorded for an intangible asset.
4. Land is the value of owned real property exclusive of constructed assets on the property.
5. Plant in Service contains the plant and equipment at costs associated with the network as contained in the construction budget. Annual changes to this category should relate to the Acquisition and Construction of Plant in Service category included on the Statement of Cash Flows. Present the Plant in Service assets for existing services and grant funded service separately.
6. Accumulated Depreciation consists of the accumulated depreciation of assets included in the “Plant in Service –Other Assets” categories. Accumulated Depreciation includes both grant and existing asset depreciation. Annual changes to this category should relate to the Depreciation Expense – Other Assets category included on the Income Statement.

## **LIABILITIES AND EQUITY**

### **Current Liabilities**

1. Accounts Payable consists of the amounts owed to trade vendors.
2. Accrued Expenses are those expenses that have been incurred but not yet paid.
3. Current- Deferred Grant Revenue consists of the total amount of deferred grant revenue that will be recognized as revenue in the following year and should relate to Amortized Grant Revenue category included on the Income Statement.
4. Current Portion LTD consists of the total principal balance related to debt that will be repaid in the following year and should relate to the “Principal Paid on Notes Payable” category included on the Statement of Cash Flows.
5. Other Current Liabilities consists of all other current liabilities not included above.

## **Other Liabilities**

1. Notes Payable – Existing & New consists of the total outstanding principal balance related to the all existing and new sources of debt, if any, less the Current Portion – Existing Debt category.
2. Deferred Grant Revenue: Grantees should account for revenue recognized from grants. This consists of the remaining unamortized grant revenue less the Current Portion – Deferred Grant Revenue category. Rate-regulated Telecom or Electric companies may leave this item blank.
3. Other Liabilities consists of all other non-current liabilities not included above.

## **Equity**

1. Capital Stock consists of the par value of capital stock.
2. Additional Paid in Capital consists of all other investor transactions. The category is the net change in Distributions/Dividends and Additional Paid in Capital included on the Statement of Cash Flows.
3. Retained Earnings represent after-tax profits in the company. The changes from year to year must reconcile with the Net Income category included on the Income Statement.

## **Pro-Forma Statement of Cash Flows Guidance**

The Pro-Forma statement of cash flows must reflect the proposed Maryland Broadband Program project funding and investments as well as any additional funding for working capital and other capital expenditures for the applicant exclusive of the Grant project. The following is a brief description of the pre-populated cash flow categories contained on the Cash Flow worksheet in this template.

**Beginning Cash represents cash balances at the beginning of the period.**

### **Cash Flows from Operating Activities:**

1. Net Income (Loss) is obtained from the Net Income (Loss) category on the Pro-Forma Income Statement.
2. Adjustments to Reconcile Net Income (Loss) to Net Cash Provided from Operating Activities:
  - a. Depreciation & Amortization is obtained from the Depreciation and Amortization categories on the Income Statement. Grant and Existing categories are combined for this line.
  - b. MD Broadband Grant is obtained from the Amortized MD Broadband Grant category on the Income Statement.

- c. Gain (Loss) on Disposal of Assets is obtained from the Gain (Loss) on Disposal of Assets on the Income Statement.
  - d. Gain (Loss) on Investments is obtained from the Gain (Loss) on Investments on the Income Statement.
3. Effects of Changes in Operating Assets and Liabilities:
- a. Accounts Receivable is the net change in the Accounts Receivable category on the Balance Sheet.
  - b. Prepaid Expenses is the net change in the Prepaid Expenses category on the Balance Sheet.
  - c. Inventory is the net change in the Inventory category on the Balance Sheet.
  - d. Other Current Assets is the net change in the Other Current Assets category on the Balance Sheet.
  - e. Accounts Payable is the net change in the Accounts Payable category on the Balance Sheet.
  - f. Accrued Expenses is the net change in the Accrued Expenses category on the Balance Sheet.
  - g. Unearned Revenue is the net change in the Current - Deferred Grant Revenue category on the Balance Sheet.
  - h. Other Current Liabilities is the net change in the Other Current Liabilities category on the Balance Sheet.
  - i. Other Assets is the net change in the Other Assets category on the Balance Sheet.
  - j. Other Liabilities is the net change in the Other Liabilities category on the Balance Sheet.

**Cash Flows from Financing Activities:**

- a. Acquisition and Construction of Plant in Service is obtained from the Land and Plant in Service categories on the Income Statement. Grant and Existing categories are combined for this line.
- b. Amortizable Assets is the net change in the Amortizable Assets category on the Balance Sheet.
- c. Proceeds from Maryland Broadband Program grant are the cash grant proceeds received under a Maryland Broadband Program grant.
- d. Proceeds from Notes Payable is the amount received from new sources of debt as shown on the Debt Activity worksheet.
- e. Principal Paid on Notes Payable is the cash repayments of principal related to the all

debt, if any.

- f. Distributions/Dividends are the cash payments of dividends to the owners of capital stock or distribution of cash to investors.
- g. Additional Paid-in-Capital are funds paid into the project by investors.

#### **Cash Flows from Investing Activities:**

1. Proceeds from Disposal of Assets is the amounts received from the sale of an asset.
2. Sale of Marketable Securities is the amount received from the sale of marketable securities.
3. Purchase of Marketable Securities is the net change in marketable securities from the balance sheet plus the Gain (Loss) on Marketable Securities on the Income Statement.

#### **Increase (Decrease) in Cash**

**Cash and Cash Equivalents – Beginning of Year** is the prior year’s Cash and Cash Equivalents - End of Year.

**Cash and Cash Equivalents – End of Year** represents the cash balance at the end of the period and should agree with the Cash category of the Balance Sheet.

#### **Guidance Related to the Pro-Forma Financial Assumptions (Schedule G-2)**

**Overview:** Applicants are required to submit a detailed written narrative that documents the various Pro-Forma financial assumptions used to prepare the Pro-Forma Financial Forecast, as Schedule G-2.

**Every category in the Pro-Forma financial statements must be explained with clear details so that the Office may review and understand the basis for the financial projections. The assumptions must allow a financial analyst to re-create the Pro-Forma financial statements. If the financial forecast is not fully supported by a detailed narrative for every category, it may affect the final decision on the application.**

While applicants are not required to utilize all of the categories in the workbook, applicants must provide a sufficient level of detail to provide a reasonable understanding of existing and proposed operations, including the proposed Maryland Broadband Program grant project. Any modifications to the Pro-Forma financial statements submitted must adequately document, support, and justify the information in any modified categories.

## **Historical Financial Reconciliation**

If there are any gaps or discrepancies between the submitted historical financial statements and the historical data provided in the Pro-Forma Financial Forecast, applicants should include detailed explanations in the assumptions.

## **Income Statement Assumptions**

Applicants must provide assumptions for **all** the categories on the Income Statement. The detailed network plan should link to the Pro-Forma financial statements. Applicants should describe existing capacity and give its annual cost for backhaul, IP/interconnection, and/or spectrum and video. Include proposed capacity that will be necessary to serve subscribers as well as projected annual cost. Ensure that the annual cost totals for each category reconcile with the corresponding expense items.

Backhaul should include all transport costs for taking the applicant's network traffic to its providers. IP/Interconnection should include all IP traffic costs for providing service to users. Spectrum should include all spectrum costs for providing service to users (if applicable). Video content should include all costs associated with the provision of TV content to users (if applicable). Growth in these costs should generally correspond to projected subscriber growth for each of the various services, as applicable.

## **Balance Sheet Assumptions**

Applicants must provide assumptions for **all** the categories on the Balance Sheet.

**Statement of Cash Flows Assumptions** - The Cash Flow statement should tie to the net change in the various categories from the Balance Sheet. Net Income in each year should come directly from the Income Statement.

**Accounting for Grant Funds** - When reporting the State's grant amounts on Pro-Forma financials or other documents submitted with your application, the grant amounts must be treated as revenue on a separate line item. Because this revenue is used to purchase capital assets, it must be amortized over the average useful life of the assets. Failure to use this accounting method can produce unfavorable outcomes in the financial review process. However, those applicants that are rate regulated Telecom or Electric companies must continue to utilize the accounting required by the respective uniform system of accounts for those industries, which require that the plant accounts be reduced by the grant funds received in the year of receipt.

## **Proforma 5-Year Financial Forecast Workbook**

**Applicants must complete the entire workbook. The workbook is available at: <https://dhcd.maryland.gov/ruralbroadband>**

**Applicants should complete the entire workbook and include all of the worksheets in their application as Schedule G-1. The worksheets should be in printed format (pdf) and electronic Excel Spreadsheet.**

## **H. Statement of Experience**

Applicants must provide a written narrative describing their demonstrated capability and experience, if any, in operating a telecommunications system, or any project similar to the proposed project. The applicant must include the owner and principal employees' relevant work experience that would ensure the success of the project.

If the applicant is seeking to partner with another entity to operate the system, an agreement or draft agreement to do so must be provided with the application. This agreement must address the specific financial terms of this partnership and the specific entity/entities must be identified, along with their qualifications to assist in operating the system. Applications which rely on such a partnership, but do not provide pertinent details will be rejected, as the Office cannot determine the technical and financial feasibility of the project lacking such information. the Office will consider such an application on the basis of the submitted agreement, but may require modifications if an award is ultimately made if any terms of the agreement are found to be unacceptable to the Office.

## **I. Additional Funding**

Applicants must contribute a Matching contribution which is at least one-hundred percent (100%) of the grant amount requested unless an exception is provided in the section "Match Funds Requirements". The match must be in cash and available at time of closing to be used solely for the Project unless applying for Federal funds as allowed in the section "Match Funds Requirements". All applicants must be able to demonstrate they have sufficient resources to construct, manage and sustain the project through and beyond completion.

A grant applicant must fulfill either items 1 or 2 below:

1. Applicant has sufficient cash on hand to fund the Matching Contribution for the application. An applicant must demonstrate its financial wherewithal to do so by submitting a recent bank statement titled in the applicant's name. In addition, if the applicant has a significant part of its cash reserves which are from a third party loan or grant unrelated to the Maryland Broadband Program project, the applicant must provide the amounts of such cash which is included in the bank statement and indicate whether such funds are available for the Maryland Broadband Program project, and if not, how much of the cash on hand is not restricted for use on the Maryland Broadband Program project. If the Office is aware that a significant amount of the cash shown on the bank statement may be unavailable for the project, but this amount is not specifically identified or the removal of a known quantity of unavailable cash would leave less than the cash match requirement, the Office may reject the application on this basis.
2. Applicant has obtained sufficient funding commitments from another entity, outside of the Maryland Broadband Program project grant, needed to complete the submitted application. Satisfactory evidence to this effect must:

- a. Be in the form of an agreement between the entity contributing funds and the applicant, or a letter from the entity to the applicant.
- b. Clearly state the name and contact information of the entity that is making the commitment to the applicant.
- c. Include the amount of the commitment.
- d. State the purpose of the commitment.
- e. Demonstrate the financial wherewithal of the entity making the commitment to the applicant through a recent bank statement titled in the contributing entity's name.

***Note: Letters must be signed by an Officer having authority to make the commitment or the Owner of the entity providing the funding.***

**If the appropriate funding commitments are not included in the application, the application will be deemed ineligible for consideration.**

**Maryland Broadband Infrastructure Grant Program  
Application Checklist**

<b>Section</b>	<b>Description</b>	<b>Schedule</b>	<b>Complete</b>
A	Application for Assistance		
	- Completed Broadband Grant Application Form	A-1	
	- IRS Form W-9	A-2	
B	Executive Summary of the Project		
C	Scoring Criteria Documentation		
D	System Design		
	- Network Diagram	D-1	
E	Service Area Demographics		
F	Scope of Work		
	- Construction Build-out/Project Milestones	F-1	
	- Project Budget	F-2	
G	Financial Information and Sustainability		
	- Historical Financial Statements		
	- Pro Forma Financial Statement – Single Application	G-1	
	- Pro Forma Financial Statement Assumptions	G-2	
H	Statement of Experience		
I	Evidence of Funding Commitments from Other Sources		

By signing this checklist, you are certifying that you understand that to be an eligible applicant, you must have included each of the required documents. If you have any questions about your application, please contact the Governor's Office of Rural Broadband prior to submitting this application and certification.

Print Name

Title

Signature

Date



Governor's Office of Rural Broadband

**Broadband Grant Application Form** *(this form is the start of your application, see the application guide for additional application requirements)*

Project Name: \_\_\_\_\_

\_\_\_\_\_

Applicant Information

Primary Applicant Legal Name (must match W9 and DUNS Number):

\_\_\_\_\_

Federal EIN Number: \_\_\_\_\_ DUNS Number: \_\_\_\_\_

*Attach a copy of your IRS Form W-9*

Address:

Street: \_\_\_\_\_

City: \_\_\_\_\_

County: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Applicant Type (may be for profit or non-profit):

- A local jurisdiction;
- Incorporated organization recognized as a partner by the local jurisdiction;
- Cooperative legally formed in Maryland and recognized as a partner by the local jurisdiction;
- Limited Liability Company recognized as a partner by the local jurisdiction;
- Other \_\_\_\_\_

*Partnerships and sole proprietors are not eligible applicants*

Contact Information

*This should be the primary contact for the person coordinating all elements of this application. This is the person the Office will contact with any questions regarding the application.*

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_



Governor's Office of Rural Broadband

Project Information

- Applicant is requesting an exception to the cash match requirement based on an application for Federal funding. Applicant understands that no State funds will be disbursed until the Federal funding is approved.
- Applicant is requesting a reduction in required Match from 50% to 25% of the eligible project capital construction costs due to the PFSA having 20% of the total project households and businesses being located in Sustainable Communities and/or Priority Funding Areas.

Estimated Funding:

Applicant: \_\_\_\_\_

Local Jurisdiction: \_\_\_\_\_

State: \_\_\_\_\_

Other: \_\_\_\_\_

Project Total: \_\_\_\_\_

Technology used to serve the subscriber:

*Check all that apply*

- Fiber Optics to the Premise
- Unlicensed Fixed Wireless      Frequency Band: \_\_\_\_\_
- Licensed Fixed Wireless      Frequency Band: \_\_\_\_\_
- Other: \_\_\_\_\_

Proposed Funded Service Area (PFSA):

***PFSA must be unserved with no locations receiving broadband service at 25 Mbps download by 3 Mbps upload speeds.***

Local Jurisdiction(s) where project is proposing to provide service: \_\_\_\_\_

\_\_\_\_\_

***A .shp or .kml/.kmz file map showing the proposed service area including finite boundaries for each area must be attached to the application.***



*Governor's Office of Rural Broadband*

Unserved Households and Businesses passed:

*This would be your projected subscriber base*

Households: \_\_\_\_\_

Businesses: \_\_\_\_\_

Other: \_\_\_\_\_

Describe the methodology used to determine the unserved locations (e.g. field review, survey results, etc.) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Average Number of homes and businesses per mile (wired): \_\_\_\_\_

Average Number of homes and businesses per tower (wireless): \_\_\_\_\_

To the best of my knowledge and belief, the information contained in this application package is true and correct and I have the authority to sign this document.

Authorized Representative Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_



**Schedule F-2**

**Project Budget**

BUDGET	No. of Units	Unit cost	Total	Grant	Other Funding	Description
<b><u>BROADBAND SYSTEM</u></b>						<b>Note:</b> These items are general in nature, applicants should modify as required to describe their specific project.
Electronic Equipment (FTTH, wireless, etc.)						
Outside plant (fiber, coaxial, copper, etc.)						
Customer premises equipment						
Towers – new construction (monopole, lattice, etc.)						
Towers – lease						
Buildings – new construction						
Buildings – renovations/expansion						
Bandwidth Costs						
Collocation Costs						
Site preparation						
Engineering						
<b>Total Broadband System</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b><u>COMMUNITY CENTER</u></b>						<b>Note:</b> Grant funds provided for the community center are limited to the lesser of 10% of the grant amount requested or \$150,000.
Construction of building						New building must be built on property owned by the applicant if grants funds are used for its purchase.
Renovations/expansion of existing building						
Furniture						
Computers/software/printers						Grant funds MUST be used to fund at least 2, and up to 10 Computer Access Points
<b>Total Community Center</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>SUMMARY OF EXPENDITURES</b>						
Broadband System						
Community Center						
<b>TOTAL</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

## Schedule G-1 Instructions

Please read **BEFORE** working in the model

- 1.0 **Important!!** Enter data in cells Tan colored cells only!!
- 2.0 Template is set up to work from TABS left to right. Complete DATA tab first, then fixed assets & Depr and so on..
- 3.0 In DATA tab cell, enter the two historical years you are working with in cells B4 and C4. Enter first Projected year in cell D4. The other projected years will auto populate. For example 2018, 2019 and 2020 in cells B4-D4.
- 4.0 The DATA tab is instrumental in completing the majority of the Income Statement.
- 5.0 See specific instructions located on right side of sheet for each applicable sheet to assist in completing your financial model.
- 6.0 Use footnotes next to entry lines where necessary to explain assumptions down below the data entry for each sheet as appropriate and necessary to explain changes or how figures are derived.

Organization Name:  
(as shown on W-9)

<<<< enter applicant name here; flows to remaining sheets

**ONLY enter data in Tan Cells**

The blank cells within the spreadsheet will autopopulate based on these entries.

	Prior Year			Projected Year			
	2018	2019	2020	2021	2022	2023	2024

**Broadband Data Service - Existing Network**

Subs Beg of Year		-	-	-	-	-	-
Subs End of Year							
Increase (Decrease)	-	-	-	-	-	-	-
Avg \$ Rate /Sub/Month	#DIV/0!	#DIV/0!					

**Broadband Data Service - Grant Network**

Subs Beg of Year			-	-	-	-	-
Subs End of Year							
Increase (Decrease)			-	-	-	-	-
Avg \$ Rate /Sub/Month							

**Video Service - Existing Network**

Subs Beg of Year		-	-	-	-	-	-
Subs End of Year							
Increase (Decrease)	-	-	-	-	-	-	-
Avg \$ Rate /Sub/Month	#DIV/0!	#DIV/0!					

**Video Service - Grant Network**

Subs Beg of Year			-	-	-	-	-
Subs End of Year							
Increase (Decrease)			-	-	-	-	-
Avg \$ Rate /Sub/Month							

**VoIP - Existing Network**

Subs Beg of Year		-	-	-	-	-	-
Subs End of Year							
Increase (Decrease)	-	-	-	-	-	-	-
Avg \$ Rate /Sub/Month	#DIV/0!	#DIV/0!					

**VoIP - Grant Network**

Subs Beg of Year			-	-	-	-	-
Subs End of Year							
Increase (Decrease)			-	-	-	-	-
Avg \$ Rate /Sub/Month							

Explain your logic in changes in sub counts, average dollar cost per sub each year, etc. on Schedule G-2

Assumptions for Projections:	Dollar Increase <i>Directly Related to Grant</i>					Percent Increase or decrease (-) Over Prior Year				
	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024

Backhaul										
IP/Interconnection										
Video Content Costs										
Spectrum										
Network Maintenance/Monitoring										
Utilities										
Sales & Marketing										
Customer Care										
Administrative Labor										
Administrative - Other										
Property Taxes										
blank 1 *										
blank 2										
blank 3										
Other Operating Expenses										

Enter gross dollar impact of any line item cost resulting from the grant in columns D-H. For example, new internet installer. Columns I - M enter normal cost increases anticipated over prior year.

Enter above and below in percent format

\* Rows labeled as "blank" may be modified to include other categorical expenses as needed

Projected effective combined federal and state tax rates for projected years

Note: justify your rate structure for projected years if lower than highest marginal rates for federal and state

--	--	--	--	--	--

**ONLY enter data in Tan Cells**

	Projected Year					
	2020	2021	2022	2023	2024	
Depreciation - Existing Plant in Service Assets						per existing depreciation reports
Depreciation - New Plant in Service (non-grant)	-	-	-	-	-	
Depreciation - Plant in Service (grant)	-	-	-	-	-	
Amortization - Existing Assets						per existing amortization schedule
Amortization - New Amortizable Assets (non-grant)	-	-	-	-	-	
Amortization - Amortizable Asset (grant)	-	-	-	-	-	

Depreciation & Amortization Computations:	Projected Year Acquired	Cost	Straight Line Depreciation by Year					Useful Life (year)	Summary of Purchases by Year				
			2020	2021	2022	2023	2024		2020	2021	2022	2023	2024
<b>New Plant in Service (not grant related) including outside plant and equipment:</b>													
Enter Description of Asset In Column A, Year in Column B and Cost in Column C			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
<i>Insert new row above to add more lines &amp; Copy formula in Columns C through G</i>													
Total New Plant in Service (not grant related) Purchases Depreciation			-	-	-	-	-		-	-	-	-	-
<b>New Grant Related Plant in Service including outside plant and equipment (see note below):</b>													
Enter Description of Asset In Column A, Year in Column B and Cost in Column C			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
<i>Insert new row above to add more lines &amp; Copy formula in Columns C through G</i>													
Total Grant Related Plant in Service Purchases Depreciation			-	-	-	-	-		-	-	-	-	-
<b>New Non-Grant Amortizable Assets:</b>													
Enter Description of Asset In Column A, Year in Column B and Cost in Column C			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
<i>Insert new row above to add more lines &amp; Copy formula in Columns C through G</i>													
Total New Amortizable Assets (not grant related)			-	-	-	-	-		-	-	-	-	-
<b>New Grant Related Amortizable Assets (see note below):</b>													
Enter Description of Asset In Column A, Year in Column B and Cost in Column C			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
			-	-	-	-	-		-	-	-	-	-
<i>Insert new row above to add more lines &amp; Copy formula in Columns C through G</i>													
Total Grant Related Amortizable Assets			-	-	-	-	-		-	-	-	-	-
<b>New (none grant related) Land Assets:</b>													
Enter Description of Asset In Column A			Cost of Projected Land Purchase by Year						Enter Cost of Asset In Column D - H as applicable				
<i>Insert new row above to add more lines</i>													
Total New (not grant related) Land Assets			-	-	-	-	-		-	-	-	-	-
<b>New Grant Related Land Acquisitions (note: grant proceeds are ineligible for land purchases):</b>													
Enter Description of Asset In Column A			Cost of Projected Land Purchase by Year						Enter Cost of Asset In Column D - H as applicable				
<i>Insert new row above to add more lines</i>													
Total Grant Related Land Assets			-	-	-	-	-		-	-	-	-	-

Enter anticipated future asset additions in this section. Segregate by purpose - additions to existing plant (regardless of grant) and asset additions due to grant funding. **Note the delineation between existing plant assets and grant funded assets.** For those applicants which require the plant accounts be reduced by the grant funds, enter the recognized asset as a negative amount asset above in the year the applicant recognizes the grant in its records. Allocate the negative asset amount prorata between applicable asset lives the grant proceeds are offsetting so as to properly offset computed depreciation above for the original cost of the assets entered above as well. We want to see the grant dollars applied to the assets purchased with the grant funds.

0

Existing Debt:	<u>Projected Years</u>					
	2020	2021	2022	2023	2024	2025
Annual Principal Payments						
Annual Interest Payments						

New Debt:	<u>Projected Years</u>					
	2020	2021	2022	2023	2024	2025
Proceeds from new debt						
Annual Principal Payments						
Annual Interest Payments						

*The above cells populate both the income statement and balance sheet. Amortization schedules are typically available from your lender and are used to identify future years' principal and interest portions of annual payments.*



## Schedule G1 Income Statement

	Prior Year		Projected Year				
	2018	2019	2020	2021	2022	2023	2024
<b>Operating Revenues</b>							
Broadband Data Service - Existing			\$ -	\$ -	\$ -	\$ -	\$ -
Broadband Data Service - Grant			-	-	-	-	-
Video Service - Existing			-	-	-	-	-
Video Service - Grant			-	-	-	-	-
Local Voice Service - Existing			-	-	-	-	-
Local Voice Service - Grant			-	-	-	-	-
Other - Existing Network							
Other - Grant Related							
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Operating Expenses</b>							
Backhaul			-	-	-	-	-
IP/Interconnection			-	-	-	-	-
Video Content Costs			-	-	-	-	-
Spectrum			-	-	-	-	-
Network Maintenance/Monitoring			-	-	-	-	-
Utilities			-	-	-	-	-
Sales & Marketing			-	-	-	-	-
Customer Care			-	-	-	-	-
Administrative Labor			-	-	-	-	-
Administrative - Other			-	-	-	-	-
Property Taxes			-	-	-	-	-
blank 1 *			-	-	-	-	-
blank 2			-	-	-	-	-
blank 3			-	-	-	-	-
Other Operating Expenses			-	-	-	-	-
Amortization - Grant Assets			-	-	-	-	-
Amortization - Existing Assets			-	-	-	-	-
Depreciation - Grant Assets			-	-	-	-	-
Depreciation - Existing Assets			-	-	-	-	-
<b>Total Operating Expenses</b>	-	-	-	-	-	-	-
<b>Operating Income</b>	-	-	-	-	-	-	-
<b>Other Income (Expense)</b>							
Interest Income							
Amortized MD Broadband Grant			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Income (Expense)							
Gain (Loss) on Disposal of Assets							
Gain (Loss) on Marketable Securities							
Interest Expense - Existing Debt			-	-	-	-	-
Interest Expense - New Debt			-	-	-	-	-
<b>Total Other Income (Expense)</b>	-	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Pretax Income</b>	-	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Federal and State Income Taxes			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Net Income (Loss)</b>	\$ -	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>EBITDA</b>	\$ -	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

\* Rows labeled as "blank" may be modified to include other categorical expenses as needed

## Schdeule G1 Balance Sheet

	Prior Years		Projected Years				
	2018	2019	2020	2021	2022	2023	2024
<b>Current Assets</b>							
Cash & Cash Equivalents			\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Receivable							
Prepaid Expenses							
Inventory							
Marketable Securities							
MD Broadband Grant Receivable			-	-	-	-	-
Other Current Assets							
<b>Total Current Assets</b>	_____ -	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Other Assets</b>							
Other Assets							
Amortized Assets			-	-	-	-	-
Less: Accumulated Amortization			-	-	-	-	-
Land			-	-	-	-	-
Plant in Service - Existing Network			-	-	-	-	-
Plant in Service - Grant Network			-	-	-	-	-
Less: Accumulated Depreciation			-	-	-	-	-
<b>Total Other Assets</b>	_____ -	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Assets</b>	\$ _____ -	\$ _____ -	\$ _____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Current Liabilities</b>							
Accounts Payable							
Accrued Expenses							
Current - Deferred Grant Revenue			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Current Portion LTD			-	-	-	-	-
Other Current Liabilities							
<b>Total Current Liabilities</b>	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Other Liabilities</b>							
Notes Payable - Existing & New			-	-	-	-	-
Deferred Grant Revenue			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Liabilities							
<b>Total Other Liabilities</b>	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Liabilities</b>	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Equity</b>							
Capital Stock							
Additional Paid-in Capital			-	-	-	-	-
Retained Earnings (Deficit)		-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Equity</b>	_____ -	_____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Total Liabilities and Equity</b>	\$ _____ -	\$ _____ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## Schdeule G1 Statement of Cash Flows

	Prior Year		Projected Years				
	2018	2019	2020	2021	2022	2023	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net Income (Loss)	\$ -	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<i>Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operations</i>							
Depreciation & Amortization		-	-	-	-	-	-
MD Broadband Grant			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gain (Loss) on Disposal of Assets		-	-	-	-	-	-
Gain (Loss) on Investments		-	-	-	-	-	-
<i>Effects of Changes in Operating Assets and Liabilities:</i>							
Accounts Receivable		-	-	-	-	-	-
Prepaid Expenses		-	-	-	-	-	-
Inventory		-	-	-	-	-	-
Other Current Assets		-	-	-	-	-	-
Accounts Payable		-	-	-	-	-	-
Accrued Expenses		-	-	-	-	-	-
Unearned Revenue		-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Other Current Liabilities		-	-	-	-	-	-
Other Assets		-	-	-	-	-	-
Other Liabilities		-	-	-	-	-	-
<b>Total Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operations</b>	<u>-</u>	<u>-</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>-</u>	<u>-</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Acquisition and Construction of Plant in Service		-	-	-	-	-	-
Amortizable Assets		-	-	-	-	-	-
Proceeds from MD Broadband Grant							
Proceeds from Notes Payable			-	-	-	-	-
Principal Paid on Notes Payable			-	-	-	-	-
Distributions/Dividends							
Additional Paid-In-Capital							
<b>Net Cash Provided (Used) by Capital &amp; Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from Disposal of Assets							
Sale of Marketable Securities							
Purchase of Marketable Securities		-	-	-	-	-	-
<b>Net Cash Provided (Used) by Investment Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>		-	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>