



Financial Deep Dive

USDA RUS ReConnect Program



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Agenda

- Financials Introduction
- Requirements for the Financials Section
- Key Considerations for the Financial Section within the ReConnect Application
 - Eligible Costs
 - Ineligible Costs
 - Structure of the Loan Products
 - Matching Funds for Grants
- Post Award Requirements
- Application Screen Shots Walk Through
- Available Resources
- Q&A

Financial Introduction

USDA will use the information inputted in this financial tab to determine if the project is financially feasible. An eligible project must demonstrate a positive ending cash balance as reflected on the cash flow statement for each year and in year five of the forecast period.

Applicants will need to:

- Provide information related to historical and forecast financial performance
- Submit pro forma projections within the application portal which will include an income statement, balance sheet, and statement of cash flows



Financial Introduction (Cont.)

A few things to keep in mind:

- The financial structure of the project (100 percent grant, 100 percent grant for Tribal Governments and Socially Vulnerable Communities, grant-loan combination, 100 percent loan) will impact the payment structure and the required documents the applicant will need to submit
- Applicants must only include eligible project costs in the project plan
- Applicants should complete the Project, Service Area, and Network Tabs of the application before beginning this tab, as the financial section is heavily reliant on the information entered on those tabs.

Financial Introduction (Cont.)

- 50 percent loan-50 percent grant combination applicants may propose substituting cash for the loan component at the time of the application and funds must be deposited into the construction fund account at the closing of the award
- For all applications, all matching funds must be deposited into the applicant's operating accounts at the closing of the award. If the matching funds are provided by a third party, a commitment letter from the third party must be submitted indicating that the funds will be available at the closing of the award if approved
- While pre-application expenses can be reimbursed so long as the amount does not exceed 5% of the total project cost, an applicant can now use up to three percent of that five percent for expenses related to satisfying environmental review requirements.

Financial Introduction (Cont.)

- The following entities do not have to submit pro forma financial projections or complete Non-Funded Service Areas (NFSA):
 - 100% Grant applicants who submit an Irrevocable Letter of Credit (ILOC)
 - Publicly traded companies that have a bond rating from Moody's, Standard and Poor's, or Fitch of Investment Grade at the time of application

Parent Company Guarantees for Subsidiaries

- While a subsidiary company may apply for ReConnect Program funding, there are times where a parent company will be involved.
 - An applicant can use the consolidated audit of a parent as long as the parent fully guarantees the loan, or in the case of a grant, guarantees that construction will be completed as approved in the application or will repay the grant to RUS.
 - If the applicant has more than one parent, then each parent's audits must be submitted, and each parent must fully guarantee the award.

Irrevocable Letter of Credit (ILOC)

- For grant-only applications, applicants may request that standard grant security arrangements be replaced with an Irrevocable Letter of Credit (ILOC), to ensure that the project is completed.
- The ILOC must be for the full amount of funding requested and must remain in place until project completion.
- If an ILOC is offered as security, applicants will not be required to provide financial projections, meet any financial ratios requirements as part of the application process, or submit the maps for their Non-Funded Service Areas (NFSAs).
- Although the ILOC will replace security for the grant security arrangements, all other requirements of the standard grant agreement will remain the same.
- A copy of the ILOC award documents can be found on the Agency's web page.

Publicly Traded Companies

- Publicly traded companies that have a bond rating from Moody's, Standard and Poor's, or Fitch of Investment Grade at the time an application is submitted do not have to complete the pro forma financial projections.
- In addition, applicants with this classification that elect not to submit financial projections do not need to submit Non-Funded Service Areas (NFSAs).

Additional items to gather in advance

- Applicants must provide detailed information for all outstanding and contingent obligations. Copies of existing notes, loan and security agreements, guarantees, any existing management or service agreements, and any other agreements with parents, subsidiaries and affiliates, including but not limited to debt instruments that use the applicant's assets, revenues or stock as collateral must be included in the application.
- Applicants must provide evidence of all funding, other than the RUS award, necessary to support the project, which must evidence the timely availability of funds. Such items include:
 - Bank account statements
 - Firm letters of commitment from equity participants
 - Outside loans

Additional items to gather in advance (Cont.)

- If outside loans are used to cover any matching requirement, they may only be secured by assets other than those used for collateral under this regulation.
- If the application states that other funds are required for the broadband project in addition to the Program funding requested, evidence must be included in the application identifying the source of funds and when the funds will be available.
 - If the additional funding is not clearly identified, the application may not be considered for an award.
- If the applicant is providing non-telecommunication services and is proposing expansion to those services and states that additional funds are required to support sustainability of the overall operation of the applicant, then evidence must be submitted supporting the availability of these funds or the application may not be considered for funding.

Additional items to gather in advance (Cont.)

- Historical financial statements for the last four years consisting of a balance sheet, income statement, and cash flow statement must be provided.
 - If an entity has not been operating for four years, historical statements for the period of time the entity has been operating are acceptable.

Requirements for Financials

1. **Applicants must submit an unqualified, comparative, audited financial statement** for the previous year from the date the application is submitted. May use the consolidated audit of a parent as long as the parent fully guarantees the loan or that grant funded construction will be completed as approved.
2. **All project costs must be fully funded or accounted for in the application.** To demonstrate this, applications must include evidence of all funding, other than RUS award, necessary to support the project, such as bank account statements, firm letters of commitment from equity participants, or outside loans, which must provide evidence of the timely availability of funds.
3. **Applicants must provide detailed information for all outstanding and contingent obligations.** Including, but not limited to, debt instruments that use the applicant's assets, revenues or stock as collateral must be included in the application.

Requirements for Financials (Cont.)

- 4. If outside loans are used, they may only be secured by assets other than those used for collateral under this FOA.**
- 5. Projects must be financially feasible and sustainable, and must demonstrate to the satisfaction of RUS that it will be able to:**
 - Generate sufficient revenues to cover expenses;
 - Will have sufficient cash flow to service all debts and obligations as they come due
 - Will have a positive ending cash balance as reflected on the cash flow statement for each year of the forecast period; and
 - By the end of the forecast period, will meet at least two of the following requirements:
 - ✓ A minimum Times Interest Earned Ratio (TIER) requirement of 1.2,
 - ✓ A minimum Debt Service Coverage Ratio (DSCR) requirement of 1.2, and
 - ✓ A minimum current ratio of 1.2.

Key Financial Considerations – Eligible Costs

- The construction or improvement of facilities, including buildings and land, required to provide broadband service
- Pre-application expenses (not to exceed 5% of the total award) – Costs must be incurred after the publication date of the FOA and be documented
 - The costs associated with environmental review requirements may not exceed 3% of the total 5%.
- Costs must be reasonable, allocable, and necessary
- Applications that propose to use any portion of the award or matching funds for any ineligible cost may be rejected

Key Financial Considerations – Ineligible Costs

- Applicant's operating costs
- Costs incurred prior to the date on which the award was made, and with respect to eligible pre-application expenses, those costs incurred prior to the publication date of the FOA
- Costs associated with an acquisition or merger of an affiliate, any facilities or equipment of an affiliate, and a system previously funded by RUS
- Vehicles not used for construction
- Costs associated with the purchase of spectrum
- Use of grant or loan funds, directly or indirectly, to support or oppose collective bargaining

Key Financial Considerations – Ineligible Costs (cont.)

- Costs associated with the operating leases of broadband facilities including Indefeasible Rights of Use Agreements (IRUs)
- Mobile service facilities
- Facilities that provide satellite service including satellite backbone services
- A system that provides insufficient access to broadband
- To refinance outstanding debt
- Facilities not required to provide broadband service

Key Financial Considerations – Structure of the Loan Products

- **Loan Amortization:** Level debt and repaid on a monthly basis
- **Amortization Period:** The amortization period is equal to composite economic life of the facilities plus three years
- **Three Year Deferral:** Three-year Payment and Interest deferral starts at the time funds are made available
- **Interest Rate** – the interest rate on the RUS loans vary depending on the product:
 - 100 Percent Loan: fixed at two percent
 - 50/50 Combination: set at the U.S. Treasury rate for the remaining amortization period at the time of each advance

Key Financial Considerations – Matching Funds for Grants

Several requirements are associated with matching funds for grants, including:

1. They may only be used for eligible costs incurred post-award, except for approved pre-application expenses.
2. Eligible costs must be consistent with 2 CFR 200 Subpart E, Cost Principles
3. All construction, including that which is funded with matching funds, must be completed within 5 years.
4. All non-RUS funds, including matching funds and cash provided in lieu of RUS loan funds, must be expended first, followed by loan funds and then grant funds (except for RUS-approved pre-application funds).
5. The source of your matching funds must be disclosed on the application.
6. If matching funds come from a third party, a commitment letter must be included with your application.

Key Financial Considerations – Matching funds for Grants (cont.)

7. Matching and other funds must be deposited into the RUS Pledged Deposit Account at the time of award closing.
8. If outside loans are used to cover the matching funds requirement, those loans may only be secured with assets other than those used as collateral as discussed under 7 CFR 1740.
9. Only those seeking funding through the 100% Grant funding category must offer a match of at least 25% of the cost of the overall project. Those seeking funding through the 100% Grant for Tribal Governments and Socially Vulnerable Communities are not required to offer a match.

Post Award Requirements

Pursuant to 7 CFR 1740.80, USDA will require applicants to adopt and adhere to the following requirements and guidelines:

1. Awardees must adopt a system of accounts for maintaining financial records acceptable to the Agency, as described in 7 CFR part 1770, subpart B.
2. Awardees must submit quarterly, and annual comparable, audited, financial statements prepared by a CPA along with a report on compliance and on internal control over financial reporting, and management letter in accordance with the requirements of 7 CFR part 1773.
3. Awardees will be required to submit annually updated service area maps through the RUS mapping tool showing the areas where construction has been completed and premises are receiving service until the entire PFSA can receive the broadband service. At the end of the project, Awardees must submit a service area map indicating that all construction has been completed as proposed in the application. If parts of the PFSA have not been constructed as proposed in the application, RUS may require a portion of the award to be rescinded or paid back.

Post Award Requirements (cont.)

4. Thirty (30) calendar days after the end of each calendar year quarter, Awardees must submit the following to RUS:

- Balance sheets
- Income statements
- Statements of cash flow
- Rate package summaries
- The number of customers taking broadband service on a per community basis utilizing RUS' on-line reporting system.

5. These reports must be submitted throughout the loan amortization period or for the economic life of the facilities funded with a grant.

Post Award Requirements (cont.)

6. Awardees must comply with all reasonable Agency requests to support ongoing monitoring efforts. The Awardee shall afford USDA reasonable opportunity to have access to and the right to inspect: The Broadband System, other property encumbered by the Award Documents, and any and all associated materials and documents (of every kind) belonging to or in the possession of the Awardee pertaining to its property or business, including its subsidiaries, if any, and to make copies or extracts thereof.
7. Awardee records shall be retained and preserved in accordance with the provisions of 7 CFR 1770, Subpart A
8. Awardees receiving assistance under this part will be required to submit annual reports for three (3) years after the completion of construction as required under 7 CFR 1740.80(g)

In addition, USDA may conduct a Management Analysis Profile (MAP) and site visits to ensure that the awardee is set up to comply with award terms and conditions.

Application System Demo – Financial Section



Financial Subsections

- Local Network Services Revenue
- Competitor Service Offerings
- Depreciation Schedule
- Long-Term Debt Schedule
- Capital Contributions
- Amortization Schedule
- Non-Operating Net Income
- Plant-in-Service Schedule
- Network Service Area Revenue
- Income Statement
- Balance Sheet
- Statement of Cash Flow
- Financial Documents

Financial Tab Introduction

Funding Type
100% Loan

Project	Service Area(s)	Network	Financials	Environmental	Licenses & Agreeeme...	Certifications	Documents	Summary/Submit
Project Information NEPA Review Project Documents	Service Area(s) Information	Network Design Build-out Timeline and Milestones Capital Investment Workbook (CIW) ▾ Capital Investment Schedule ▾ Network Documents	Local Network Services Revenue ▾ Competitor Service Offerings Depreciation Schedule ▾ Long-Term Debt Schedule ▾ Capital Contributions ▾ Amortization Schedule ▾ Non-Operating Net Income Plant-in-Service Schedule Network Access Services Revenue Income Statement Balance Sheet Statement of Cash Flow Financial Documents	Construction Map Site/Route Descriptions Environmental Questionnaire Environmental Documents	Licenses & Agreements	Certifications Certification Documents	Manage Uploaded Documents	Summary/Submit

Local Network Services Revenue

The Local Network Services Revenue section is where applicants provide information related to projected revenues from local network services derived from the proposed project.

The applicants must include the following in this section:

- **Service Offerings** – that will be offered in proposed funded and non-funded service areas (PFSA, NFSA)
- **Subscriber Projections** – Enter the price, new subscriber number, and the number of cancellations for the applicable years for all PFSAs and NFSAs to calculate the operating revenue.

Service Offering Summary View

Service Area	Service Offering	Service Offering Description ↓	Service Offering Status	Broadband Download Speed	Broadband Upload Speed	Customer Type	Price
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Number of rows 5 « Prev 1 Next »

Create New Service Offering

SERVICE OFFERING *

SERVICE OFFERING DESCRIPTION *

SERVICE OFFERING STATUS *CUSTOMER TYPE *

\$ PRICE *

Subscriber projections must be provided for the applicant's entire operations; existing and new. Please select all of the service areas in which each service offering type is available or will become available.

Local Network Services Revenue (Cont.)

- **Other Revenues** – revenues earned that are not a direct result of providing service to customers (e.g. installation fees, monthly cable rentals, broadcast network fees)
- **Subscriber Breakdown by Service Area** – including residential and business subscribers, and total households in the service area
- **Local Network Services Revenue** – when completed, users can view a summary of the local services revenue based on how this section was populated
- **Alternate Household Documents** – applicable if the applicant entered alternate household data in the subscriber breakdown subsection



Competitor Service Offering

- This section is where applicants enter information regarding **Competitor Service Offerings** for each PFSA and NFSA recorded in the service mapping tool. Applicants must indicate whether they have any competitor service offerings to report and include:
 - Name of service provider
 - Service offerings
 - Service package description
 - Broadband upload and download speeds
 - Customer type
 - Price
 - Service areas
- Please note, upload and download speeds will be required for data service offerings. If unknown, select n/a.

Competitor Service Offering (Cont.)

Competitor Service Offering

A	SERVICE PROVIDER *		SERVICE OFFERINGS * Voice/Video/Data	B
C	SERVICE PACKAGE DESCRIPTION *	i	BROADBAND DOWNLOAD SPEED	D
E	BROADBAND UPLOAD SPEED	i	CUSTOMER TYPE	F
G	\$ PRICE: *	i		

H Service Area(s)

Select	Service Area	Service Area Funding	Service Area Type
<input type="checkbox"/>	Example 4- Existing NFSA	Non-Funded	Existing
<input type="checkbox"/>	Example 1: new PFSA in western PA	Proposed Funded	New
<input type="checkbox"/>	Example 2: existing PFSA in western PA	Proposed Funded	Existing

Depreciation Schedule

Applicants must indicate depreciate rate assumptions for all asset types identified in the Capital Investment Workbook (CIW) and any other depreciation expenses expected to be incurred during the forecast period.

The four (4) main components of the depreciation schedule include:

- **Depreciation Rates** – should align to the deployment and retirement of the plant and must be consistent with guidance offered in the ReConnect Program Construction Procedures
- **Composite Economic Life Calculation** – after depreciation rates are provided, the application system will calculate the Composite Economic Life (the weighted average economic life) of all classes of facilities in the Award
- **Annual Depreciation Expense** – the annual depreciation expense for assets included in the PFSA, NFSA, and UPLF CIWs across the five-year build out period. This is calculated based on the Capitol Investment Schedule and the depreciation rate assumptions provided by the applicants
- **Depreciation Expense Summary** – see next slide

Depreciation Schedule (Cont.)

Depreciation Expense Summary

Save Refresh

	Statement Sub-Type	2021	2022	2023	2024	2025	2026
<input type="checkbox"/>	Existing Property, Plant and Equipment	\$	\$	\$	\$	\$	\$
<input type="checkbox"/>	Non-telecommunications plant added during forecast period	\$	\$	\$	\$	\$	\$
<input type="checkbox"/>	Telecommunications Plant - PFSA	\$	\$	\$	\$	\$	\$
<input type="checkbox"/>	Telecommunications Plant - NFSA	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<input type="checkbox"/>	Less Grant-Funded Plant	\$	\$	\$	\$	\$	\$
Total Depreciation Expense		\$0	\$0	\$0	\$0	\$0	\$0

Long-Term Debt Schedule

- Applicants must provide information related to long-term debt and equivalents that are currently outstanding or planned during the forecast period. The ReConnect application includes five categories of long-term debt:
 - **Funded Debt RUS/RTB/FFB** – all existing RUS notes, including all Telecom and Electric loans.
 - **Funded Debt – Other** – this is intended to capture all non-RUS, -RTB, and –FFB debt, made up of fixed-maturity types of borrowings that are funded by interest payments.
 - **Funded Debt – Rural Development (RD)** – any debt from USDA RD that is not from RUS.
 - **Other Long-Term Debt** – all long-term debt that is not included in the other long-term debt items. E.g. regularly scheduled principal and interest payments.
 - **Obligations Under Capital Lease**

Capital Contributions

- Applicants must provide documentation to support any sources of capital used for the project. This includes identifying the source, timing, and volume of investment during the bridge year and 5-year forecast. Some examples include:
 - If the applicant is proposing to provide any owner/member capital, evidence of equity infusion must be uploaded
 - If the applicant is proposing to provide investor capital, a letter of commitment or term sheet must be uploaded
 - If the applicant is proposing to contribute through a state grant, grant documents must be uploaded
 - If the applicant is applying for a 100% grant, users must identify the match source on the schedule and upload evidence documentation

Amortization Schedule

- The application system calculates an amortization schedule based on applicants' loan information, which means the Capital Investment Workbook (CIW), Capital Investment Schedule (CIS), and the Annual Capital Investment schedule must be completed before beginning the amortization schedule.

Amortization Schedule (Cont.)

- **New RUS Debt** – loan information which enables the system to calculate an amortization schedule
 - For 100 percent loans, the interest rate will be fixed at 2 percent
 - For the loan component of the 50/50 loan/grant combination, the user should enter the US Treasury rate with a comparable maturity to that of the composite economic life calculated by the system
- **RUS Debt Summary** – any debt from USDA RD that is not from RUS
 - Applicants must provide the forecast payment information including interest paid, principal paid, and long-term portion
- **Other Debt Summary** – based on the amount of debt items added in the specific Long-Term Debt Schedule section of the application
 - A certain number of tables display for each debt item added
 - Applicants must provide the appropriate information for new borrowing, interest paid, and principal paid

Non-Operating Net Income

Non-operating net income includes gains and losses on sales of equipment and capital gains. The applicant will need to include the following:

- Non-Operating Item Type
- Item – enter a description for specific detail regarding the source of the revenue or expense
- Historical Years – enter the appropriate dollar amount for each historical year
- Bridge Year – enter the appropriate dollar amount for the bridge year
- Forecast years – enter the appropriate dollar amount for each forecast year
- Assumptions – enter an assumption for each line item for which the entered value is different than zero

Plant-in-Service Schedule

Applicants should enter information related to the existing plants and non-telecommunications plants in this section, grant-funded expenses, and grant-funded assets.

- **Plant-in-Service, Beginning of Year** – enter the appropriate dollar amount into the Bridge Year field. Applicants are only able to enter the dollar amount for the Bridge Year. Plant additions for PFSA, NFSA, and Unadvanced Prior Loan Funds will be auto-calculated from the CIS
- **Non-Telecommunications Plant Additions** - enter the appropriate dollar amount into the Bridge Year and Forecast Years
- **Less Plant Retirements** – enter the appropriate dollar amounts into the Bridge Year and Forecast Years
- **Less Grant-Funded Expenses** – enter the appropriate dollar amounts into the Bridge Year and Forecast Years
- **Less Grant-Funded Assets** – enter the appropriate dollar amount into the Bridge Year and Forecast Years

Network Access Services Revenue

- **Applicants must enter information related to any revenue earned from fees for network access services.**
- Applicants will need to list each type of fee and the amounts earned.
- Historical, Bridge, and Forecast Years will all need to be calculated and listed.
- Supporting documents for Forecast Years should be included with the application.
 - If applicants fail to provide appropriate evidence of forecasted network service access revenues, RUS may find the application not financially feasible, particularly if these revenues represent a significant portion of the applicant's total revenues.
- If no revenue is earned in this manner, the section will not apply.

Financials Statements – Income Statement

The income statements demonstrate financial performance and the net position of the applicant, via recorded revenues, expenses, gains, and losses over the historical and forecast periods.

- Specifically, this includes:
 - Increases and decreases in future expenditures, depreciation, amortization, and taxes,
 - Growth rates and trends in expenses,
 - Profitability, as indicated by net income, and
 - Data necessary to perform a valuation of the applicant entity
 - Interest of Line(s) of Credit
 - Amortized Grant Revenue

Financials Statements – Income Statement (Cont.)



Application
101000670

Funding Type
100% Loan



Project

Service Area(s)

Network

Financials

Environmental

Licenses & Agreem...

Certifications

Documents

Summary/Submit

Income Statement


Line Item		Historical Years				Bridge Year		Forecast Years			
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Local Network Services Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Access Services Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long Distance Network Services Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carrier Billing and Collection Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortized Grant Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Uncollectible Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Revenues		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Specific Operations Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Nonspecific Operations Expense (Excluding Deprec...		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Financials Statements – Balance Sheet

- The balance sheet demonstrates the assets, liabilities, and capital structure of the entity in a given time period. Applicants must enter the applicable information for the four historical years, bridge year, and forecast years.
- Applicants must prepare and identify the assumptions underlying the balance sheet projections in:
 - Current Assets
 - Non-Current Assets
 - Plant, Property, Equipment
 - Current Liabilities
 - Long-Term Debt
 - Other Liabilities and Deferred Credits
 - Equity

Financials Statements – Balance Sheet (Cont.)

Balance Sheet

			Historical Years			Bridge Year		Forecast Years				
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Current Assets												
A	Cash And Equivalents		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
B	Cash-RUS Construction Fund		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C	Accounts Receivable - Affiliates		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	Accounts Receivable - Non-Affiliates		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E	Notes Receivable - Affiliates		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F	Notes Receivable - Non-Affiliates		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G	Interest and Dividends Receivable		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
H	Materials and Inventory		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
I	Other Current Assets		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Current Assets				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Financials Statements – Statement of Cash Flow

- Applicants' statement of cash flow demonstrate whether or not the applicant is generating or using cash on an annual basis.
- In this application (see next slide), most of the line-item amounts are automatically generated as a result of changes to amounts of the balance sheet and income statement.
- Where the line items shown in the statement of cash flows do not reflect all cash transactions, the applicant can manually enter amounts for additional line items using line items described as 'Manual Input'.

Financials Statements – Statement of Cash Flow (Cont.)

Statement of Cash Flow

Line Item		Historical Years			Bridge Year			Forecast Years			
		2018	2019	2020	2021	2022	2023	2024	2025	2026	
Beginning Cash (Cash & Equivalents plus RU... <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flows From Operating Activities											
Net Income (Loss) <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES											
Add: Depreciation <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: Amortization <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<div>Other (Explain)</div>	<div><div></div><div></div><div></div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
CHANGES IN OPERATING ASSETS & LIABILITIES											
Decrease / (Increase) in Accounts Receivable <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Decrease / (Increase) in Materials & Inventory <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Decrease / (Increase) in Other Current Assets, I... <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase / (Decrease) in Accounts Payable <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increase / (Decrease) in Other Current Liabilities <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Provided/(Used) by Operations <div><div></div><div></div><div></div></div>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Supplemental Application Materials

Document	Required Entities
Obligations Under Capital Lease – Lease Agreement	Required for all obligations under capital lease. Uploads should be identified by the Capital Lease Identified
Other Long-Term Debt - Debt Instrument	Required for all loans entered in this section. Uploads should be identified by the Long-term Debt Identifier
Funded Debt - Rural Development Loan - Debt Instrument	Required for all loans entered in this section. Uploads should be identified by the Long-term Debt Identifier
Funded Debt - Other Debt Instrument	Required for all loans entered in this section. Uploads should be identified by the Long-term Debt Identifier
Evidence of Equity Infusion	Required if 'Owner/Member Capital' is selected for "Capital Contributions Source" value
Letter of Commitment / Term Sheet	Required if 'Investor Capital' is selected for "Capital Contributions Source" value
Grant Documents	Required if 'State Grant' or 'Federal Grant' is selected for "Capital Contributions Source" value
Alternate Households Supporting Data	Required if alternate household data is included for any of the service areas

Available Resources



Available Resources

- **Upcoming Events**
 - <https://www.usda.gov/reconnect/events>
- **Resources**
 - ReConnect website <https://reconnect.usda.gov>
 - Fact Sheets and Frequently Asked Questions
 - Application guide
- **Contact RUS**
 - <https://www.usda.gov/reconnect/contact-us>
- **ReConnect Regulation**
 - <https://www.govinfo.gov/content/pkg/FR-2021-02-26/pdf/2021-03443.pdf>
- **FY 2022 Funding Opportunity Announcement**
 - <https://www.federalregister.gov/documents/2021/10/25/2021-23128/rural-econnectivity-program>



