



3196 County Hwy 55 * Hamilton, AL 35570 * Phone: 205-921-6741 * Fax: 205-921-6738

Pro Forma 5-Year Financial Forecast
Consolidated Income Statement - Existing Operations

	Historical			Forecast Period				
	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES								
Network Services Revenues:				4,199.04	6,298.57	8,398.09	10,497.61	12,597.13
Local Voice Service	\$ -	\$ 262	\$ 77,126	\$ 154,252	\$ 231,378	\$ 308,504	\$ 385,630	\$ 462,756
Broadband Data Service	-	5,295	1,259,713	2,519,426	3,779,139	5,038,852	6,298,565	7,558,278
Other Operating Revenue - Telecom	-	-	13,166	26,332	39,498	52,664	65,830	78,996
Other Operating Revenues - Electric Revenues	16,026,643	15,162,686	16,701,345	15,506,877	15,506,877	15,506,877	15,506,877	15,506,877
Non Operating Revenues - Miscellaneous	60,313	79,077	34,790	34,790	34,790	34,790	34,790	34,790
Total Revenues	\$ 16,086,956	\$15,247,320	\$ 18,086,140	\$ 18,241,677	\$ 19,591,682	\$ 20,941,687	\$ 22,291,692	\$ 23,641,697
EXPENSES								
IP/Interconnection/Backhaul	-	18,619	191,339	281,339	281,339	281,339	281,339	281,339
Network Maintenance/Monitoring	-	504,269	431,154	444,089	949,089	977,561	1,006,888	1,292,095
Customer Care	660,095	685,374	849,240	998,623	1,068,582	1,140,639	1,174,858	1,210,104
Communications			157,638	262,367	310,238	359,545	370,332	381,442
Electric			691,602	736,256	758,344	781,094	804,527	828,663
Corporate G&A	1,254,431	1,417,584	2,089,109	2,097,081	2,159,994	2,224,793	2,291,537	2,360,283
Communications			774,838	798,083	822,026	846,686	872,087	898,250
Electric			1,314,271	1,298,998	1,337,968	1,378,107	1,419,450	1,462,034
Taxes	443,609	499,455	484,464	502,384	517,456	532,979	548,969	565,438
Communications			17,100	17,613	18,141	18,686	19,246	19,824
Electric			467,364	484,771	499,314	514,294	529,722	545,614
Other Operating Expense - Telecom Operations	-	-	(38,089)	(41,898)	(46,088)	(50,696)	(55,766)	(61,343)
Other Operating Expense - Electric Operations	10,948,138	10,487,970	10,302,637	10,797,665	10,581,712	10,793,346	10,577,479	10,365,929
Total Expenses	\$ 13,306,273	\$13,613,271	\$ 14,309,853	\$ 15,079,283	\$ 15,512,083	\$ 15,899,962	\$ 15,825,304	\$ 16,013,846
EBITDA	\$ 2,780,683	\$ 1,634,049	\$ 3,776,287	\$ 3,162,394	\$ 4,079,600	\$ 5,041,726	\$ 6,466,388	\$ 7,627,852
Depreciation -Broadband Project Assets - Non-PFSA and PFSA Match	-	16,409	420,428	630,642	840,856	1,261,283	1,681,711	2,102,139
Depreciation - Other Electric Assets	1,410,785	1,437,176	1,441,804	1,470,640	1,485,346	1,544,760	1,575,655	1,607,168
Interest Expense - Existing Debt	249,899	227,063	609,279	817,930	1,034,114	1,250,298	1,466,482	1,682,666
Communications			352,477	560,493	776,677	992,861	1,209,045	1,425,229
Electric		227,063	256,802	257,437	257,437	257,437	257,437	257,437
Interest Expense - New Debt	-	125,414	208,016	216,184	216,184	216,184	216,184	216,184
Interest Income	16,930	23,358	97,255	97,255	97,255	97,255	97,255	97,255
Communications			13,621					
Electric			83,634					
Net Income (Loss)	\$ 1,136,929	\$ (148,655)	\$ 1,194,016	\$ 124,254	\$ 600,355	\$ 866,455	\$ 1,623,611	\$ 2,116,949



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Pro Forma 5-Year Financial Forecast
Balance Sheet - Existing Operations

Tombigbee Electric Cooperative, Inc. and Subsidiary

ASSETS	Historical			Forecast Period				
	2016	2017	2018	2019	2020	2021	2022	2023
Current Assets								
Cash	\$ 2,367,418	\$ 390,843	\$ 229,381	\$ 450,190	\$ 388,964	\$ 910,566	\$ 1,438,040	\$ 1,779,420
Marketable Securities - Certificate of Deposit	824,880	2,017,450	365,932	365,932	365,932	365,932	365,932	365,932
Accounts Receivable	1,042,254	994,720	1,516,070	1,596,391	1,749,591	1,905,855	2,065,244	2,227,821
Other Current Assets	427,880	2,848,890	6,344,764	6,364,764	6,384,764	6,404,764	6,424,764	6,444,764
Total Current Assets	4,662,432	6,251,903	8,456,147	8,777,278	8,889,251	9,587,117	10,293,980	10,817,937
Non-Current Assets								
Plant in Service - Communication Assets	-	5,099,251	14,788,383	22,788,383	33,025,170	42,025,170	46,227,687	50,850,456
Accumulated Depreciation - Communication Assets	-	(16,252)	(374,090)	(1,004,732)	(1,845,587)	(3,106,871)	(4,788,582)	(6,890,721)
Plant in Service - Electric Assets	48,770,605	49,829,512	52,464,303	53,564,303	54,264,303	56,364,303	57,464,303	58,564,303
Accumulated Depreciation - Electric Assets	(17,725,813)	(18,963,350)	(20,349,910)	(21,820,550)	(23,305,896)	(24,850,656)	(26,426,311)	(28,033,480)
Other Non-Current Assets - Electric	1,400,165	1,635,039	1,608,410	2,108,410	2,608,410	3,108,410	3,608,410	4,108,410
Total Non-Current Assets	32,444,957	37,584,200	48,137,096	55,635,815	64,746,400	73,540,357	76,085,507	78,598,968
Total Assets	\$ 37,107,389	\$ 43,836,103	\$ 56,593,243	\$ 64,413,093	\$ 73,635,652	\$ 83,127,474	\$ 86,379,487	\$ 89,416,906
LIABILITIES AND EQUITY								
Current Liabilities								
Accounts Payable	311,923	400,083	977,805	1,075,586	1,097,097	1,119,039	1,141,420	1,164,248
Current Portion - Debt	341,454	344,947	344,947	344,947	344,947	344,947	522,758	1,216,463
Electric	341,454	344,947	344,947	344,947	344,947	344,947	344,947	344,947
Communications	-	-	-	-	-	-	177,811	871,516
Other Current Liabilities	602,151	632,224	4,533,036	3,533,036	2,533,036	1,533,036	533,036	-
Total Current Liabilities	1,255,528	1,377,254	5,855,788	4,953,569	3,975,080	2,997,022	2,197,214	2,380,712
Non-Current Liabilities								
Existing Debt	3,757,014	3,409,198	10,064,251	17,119,305	25,774,357	35,429,410	44,906,652	46,690,189
Electric	3,757,014	3,409,198	3,064,251	2,719,305	2,374,357	2,029,410	1,684,463	1,339,516
Communications	-	-	7,000,000	14,400,000	23,400,000	33,400,000	43,222,189	45,350,673
New Debt	-	7,000,000	7,400,000	9,000,000	10,000,000	10,000,000	3,000,000	2,000,000
Other Non-Current Liabilities	1,017,934	1,121,131	1,150,753	1,093,215	1,038,555	986,627	937,296	890,431
Total Non-Current Liabilities	4,774,948	11,530,329	18,615,004	27,212,520	36,812,912	46,416,037	48,843,948	49,580,619
Total Liabilities	\$ 6,030,476	\$ 12,907,583	\$ 24,470,792	\$ 32,166,089	\$ 40,787,992	\$ 49,413,059	\$ 51,041,161	\$ 51,961,331
Equity								
Capital Stock	33,618	33,880	33,795	34,095	34,395	34,695	34,995	35,295
Patronage Capital Credits	31,043,295	30,894,640	32,088,656	32,212,909	32,813,264	33,679,720	35,303,330	37,420,280
Total Equity	\$ 31,076,913	\$ 30,928,520	\$ 32,122,451	\$ 32,247,004	\$ 32,847,659	\$ 33,714,415	\$ 35,338,325	\$ 37,455,575
Total Liabilities and Equity	\$ 37,107,389	\$ 43,836,103	\$ 56,593,243	\$ 64,413,093	\$ 73,635,651	\$ 83,127,474	\$ 86,379,487	\$ 89,416,906



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Cash Flows - Existing Operations

Tombigbee Electric Cooperative, Inc. and Subsidiary

	Historical			Forecast Period				
	2016	2017	2018	2019	2020	2021	2022	2023
Beginning Cash	\$ 898,601	\$ 2,367,418	\$ 390,843	\$ 229,381	\$ 450,190	\$ 388,964	\$ 910,566	\$ 1,438,040
CASH FLOWS FROM OPERATING ACTIVITIES								
Net Income (Loss)	1,136,929	(148,655)	1,194,016	124,254	600,355	866,455	1,623,611	2,116,949
Adjustments to Reconcile Net Income (Loss) to Net Cash From Operating Activities:								
Add: Depreciation - Communication Assets	-	16,409	420,428	630,642	840,856	1,261,283	1,681,711	2,102,139
Add: Depreciation - Electric Assets	1,410,785	1,437,176	1,441,804	1,470,640	1,485,346	1,544,760	1,575,655	1,607,168
Changes in Assets and Liabilities:								
Accounts Receivable	(100,445)	47,534	(521,350)	(80,321)	(153,200)	(156,264)	(159,389)	(162,577)
Other Current Assets	62,632	(2,421,010)	(3,495,874)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Other Non-Current Assets	471,916	(234,874)	26,629	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Accounts Payable	79,102	88,160	577,722	97,781	21,512	21,942	22,381	22,828
Other Current Liabilities	78,108	30,073	3,900,812	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(533,036)
Other Non-Current Liabilities	-	103,197	29,622	(57,538)	(54,661)	(51,928)	(49,331)	(46,865)
Other Cash Flows from Operations								
Net Cash From Operating Activities	\$ 3,139,027	\$ (1,081,990)	\$ 3,573,808	\$ 665,457	\$ 1,220,208	\$ 1,966,249	\$ 3,174,637	\$ 4,586,607
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from Sale of Equity	754	262	(85)	300	300	300	300	300
Proceeds from 2019 Community Connect Grant	-	-	-	-	1,894,224	-	-	-
Proceeds from 2017 Community Connect Grant	-	-	-	3,317,664	-	-	-	-
Change in Current Debt	-	-	-	-	-	-	177,811	693,705
Proceeds from New Debt	-	7,000,000	7,400,000	9,000,000	10,000,000	10,000,000	3,000,000	2,000,000
Repayments of Existing Debt	(815,375)	(344,323)	(344,947)	(344,947)	(344,947)	(344,947)	(522,758)	(1,216,463)
Repayments of New Debt	-	-	-	-	-	-	-	-
Other Cash Flows from Financing	-	-	-	-	-	-	-	-
Net Cash From Financing Activities	\$ (814,621)	\$ 6,655,939	\$ 7,054,968	\$ 11,973,017	\$ 11,549,577	\$ 9,655,353	\$ 2,655,353	\$ 1,477,542
CASH FLOWS FROM INVESTING ACTIVITIES								
Capital Expenditures 2019 Community Connect Project	-	-	-	-	(2,236,787)	-	-	-
Capital Expenditures 2017 Community Connect Project	-	-	(1,868,650)	(1,449,014)	-	-	-	-
Capital Expenditures - Electric	(1,015,765)	(1,258,546)	(2,690,035)	(1,100,000)	(700,000)	(2,100,000)	(1,100,000)	(1,100,000)
Capital Expenditures - Communication Plant	-	(5,099,408)	(7,883,072)	(9,868,650)	(9,894,224)	(9,000,000)	(4,202,517)	(4,622,769)
Purchase of Investments	160,176	(1,192,570)	1,651,518	-	-	-	-	-
Net Cash From Investing Activities	\$ (855,589)	\$ (7,550,524)	\$ (10,790,239)	\$ (12,417,664)	\$ (12,831,011)	\$ (11,100,000)	\$ (5,302,517)	\$ (5,722,769)
Increase (Decrease) in Cash	1,468,817	(1,976,575)	(161,462)	220,810	(61,226)	521,602	527,473	341,381
Ending Cash	\$ 2,367,418	\$ 390,843	\$ 229,381	\$ 450,190	\$ 388,964	\$ 910,566	\$ 1,438,040	\$ 1,779,420