

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 15, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Dan C. Flores, Public Utility Analyst I, Office of Industry Development & Market Analysis

RE: Docket 20180156-TX Additional Financial Statements Vero Fiber Networks

Attached please find additional financial statements for calendar year 2017 and forecasted financials for 2018-2020, received from Vero Fiber Networks to include on Docket File 20180156-TX.

Thank you,

Dan Flores

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COMMISSION
CLERK



Vero Fiber Networks
PO Box 1110
Boulder, CO 80306

August 22, 2018

To Whom It May Concern,

Please see attached financial statements for calendar year 2017 and forecasted financials for 2018 through 2020. These financials are unaudited, but have been reviewed and approved by the CFO and CEO of Vero Fiber Networks, as attested to by signatures below.

Please note that the historic balance sheet does not reflect the full committed capital of the business. Partner capital commitments are detailed in the table below. All committed funds are defined explicitly in the Vero Operating Agreement and all investors have sufficient capital to cover this commitment today and in the future.

Partner/ Employee Name	Commit / Shares Purchased	Total Contrib to Date	Remaining Commitment
Redacted – Private Investor Information	\$6,255,000	\$749,125	\$5,505,875
	\$1,500,000	\$247,648	\$1,252,352
	\$625,000	\$155,368	\$469,632
	\$938,000	\$188,378	\$749,622
	\$375,000	\$39,549	\$335,451
	\$2,250,000	\$326,745	\$1,923,255
	\$1,500,000	\$247,648	\$1,252,352
	\$1,280,000	\$224,446	\$1,055,554
	\$50,000	\$5,273	\$44,727
\$150,000	\$15,819	\$134,181	
Total	\$14,923,000	\$2,200,000	\$12,723,000

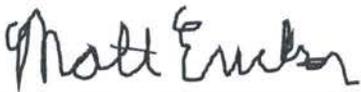
If you have any additional questions, please do not hesitate to contact us.

Regards,

Greg Friedman

Chief Financial Officer
Vero Fiber Networks

I have reviewed and verified the accuracy of the 2017 financials and 2018-2020 forecast:

Signature: 

Date: 9/4/2018

Matt Erickson
CEO

Signature: 

Date: 9/4/2018

Gregory Friedman
CFO



Vero Fiber Networks
PROFIT AND LOSS THROUGH LAST MONTH
January - December 2017

	TOTAL
Income	
Total Income	
GROSS PROFIT	\$0.00
Expenses	
Comp and Benefits	
Health and Dental Insurance	7,505.36
Payroll Taxes - Employer Portion Only	7,001.78
Salaries	69,215.37
Total Comp and Benefits	83,722.51
SG&A	
Airfare	305.94
Automobile - Rental	137.34
Bank Fees/Charges	44.86
Dues & Subscriptions	877.00
Legal	27,032.46
Licenses/Permits	3,152.43
Marketing	410.26
Meals	80.46
Office Phone/Internet	443.96
Office Rent	1,887.08
Other SG&A	45.40
Payroll Processing Fees	707.74
Postage/Delivery/Printing	395.63
Professional Services	1,992.50
Taxi / Cab / Mass Transit	72.00
Vehicle Maint/Fuel	31.40
Vendor Services	742.86
Website/Software	604.23
Total SG&A	38,963.55
Total Expenses	\$122,686.06
NET OPERATING INCOME	\$ -122,686.06
Other Income	
Interest Income	38.53
Total Other Income	\$38.53
NET OTHER INCOME	\$38.53
NET INCOME	\$ -122,647.53



Vero Fiber Networks

STATEMENT OF CASH FLOWS

January - December 2017

	TOTAL
OPERATING ACTIVITIES	
Net Income	-122,647.53
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Payable (A/P)	14,039.96
Capital One 9686	1,899.03
Payroll Liabilities	12,580.61
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	28,519.60
Net cash provided by operating activities	\$ -94,127.93
FINANCING ACTIVITIES	
	100,000.00
	100,000.00
Redacted – Private Investor Information	100,000.00
	100,000.00
	100,000.00
	0.00
Net cash provided by financing activities	\$500,000.00
NET CASH INCREASE FOR PERIOD	\$405,872.07
CASH AT END OF PERIOD	\$405,872.07

Forecast: P&L

Vero Fiber Networks LLC Profit and Loss

	<u>Dec-17</u>	<u>Dec-18</u>	<u>Dec-19</u>	<u>Dec-20</u>
INCOME				
Revenue	0	89,825	1,463,011	4,522,844
Uncategorized Income	0	0	0	0
TOTAL INCOME	0	89,825	1,463,011	4,522,844
Cost of Goods Sold	0	0	8,723	28,071
GROSS PROFIT	0	89,825	1,454,288	4,494,773
<i>Gross Profit %</i>		100%	99%	99%
EXPENSES				
Bad Debt Expense	0	742	12,983	39,913
Comp and Benefits	83,723	316,575	658,300	1,125,080
Network Operations	0	7,611	180,214	640,828
SG&A	38,964	195,128	238,502	326,562
Uncategorized Expense	0	0	0	0
TOTAL EXPENSES	122,686	520,056	1,089,999	2,132,382
NET OPERATING INCOME	(122,686)	(430,231)	364,289	2,362,391
<i>Net Operating Income %</i>		-479%	25%	52%
Net Other Income	38	(7,148)	(282,970)	(1,253,799)
NET INCOME	(122,648)	(437,384)	81,319	1,108,592
<i>Net Income %</i>		-487%	6%	25%

Forecast: Balance Sheet

Vero Fiber Networks LLC Balance Sheet

	Dec-17	Dec-18	Dec-19	Dec-20
ASSETS				
Current Assets				
Cash	405,872	12,265,891	1,217,867	53,919
Accounts Receivable	0	13,944	127,972	215,722
Other Current Assets	0	3,728	107,316	180,932
Total Current Assets	405,872	12,283,563	1,453,155	450,574
Fixed Assets				
Accumulated Depreciation	0	(7,176)	(290,146)	(1,277,278)
PP&E	0	765,811	11,665,010	22,905,776
Total Fixed Assets	0	758,636	11,374,865	21,628,498
Other Assets (WIP)	0	1,444,254	6,349,870	4,096,693
TOTAL ASSETS	405,872	14,486,453	19,177,890	26,175,765
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	14,040	13,658	65,966	85,553
Credit Cards	1,899	13,466	19,429	24,043
Other Current Liabilities	12,581	10,169	26,700	48,297
Total Current Liabilities	28,520	37,294	112,094	157,893
Long-Term Liabilities				
Deferred Compensation	0	0	0	0
Deferred Revenue	0	84,191	4,619,508	5,462,992
Long Term Debt	0	0	0	5,000,000
Total Long-Term Liabilities	0	84,191	4,619,508	10,462,992
Total Liabilities	28,520	121,485	4,731,603	10,620,885
Equity				
Cummulative Partner Contributions	500,000	14,925,000	14,925,000	14,925,000
Cummulative PE Contributions	0	0	0	0
Partner Distributions	0	0	0	0
Retained Earnings	0	(122,648)	(560,032)	(478,712)
Net Income	(122,648)	(437,384)	81,319	1,108,592
Total Equity	377,352	14,364,968	14,446,288	15,554,879
TOTAL LIABILITIES AND EQUITY	405,872	14,486,453	19,177,890	26,175,765

Forecast: Statement of Cash Flows

Vero Fiber Networks LLC Statement of Cash Flows

	Dec-17	Dec-18	Dec-19	Dec-20
OPERATING ACTIVITIES				
Net Income	(122,648)	(437,384)	81,319	1,108,592
Adjustments provided by operations				
Accounts Receivable (A/R)	0	(13,944)	(114,028)	(87,750)
Other Current Assets	0	(3,728)	(103,588)	(73,616)
Accumulated Depreciation	0	7,176	282,970	987,133
Accounts Payable (A/P)	14,040	(382)	52,307	19,588
Credit Cards	1,899	11,567	5,963	4,615
Deferred Revenue	0	84,191	4,535,317	843,484
Other Current Liabilities	12,581	(2,411)	16,531	21,597
Adjustments provided by operations:	28,520	82,469	4,675,472	1,715,049
Net cash provided by operating activities	(94,128)	(354,915)	4,756,791	2,823,641
INVESTING ACTIVITIES				
Work in Progress	0	(1,444,254)	(4,905,616)	2,253,177
PP&E	0	(765,811)	(10,899,199)	(11,240,766)
Net cash provided by investing activities	0	(2,210,065)	(15,804,815)	(8,987,589)
FINANCING ACTIVITIES				
Deferred Compensation	0	0	0	0
Partner Contributions	500,000	14,425,000	0	0
PE Contributions	0	0	0	0
Partner Distributions	0	0	0	0
Long Term Debt	0	0	0	5,000,000
Net cash provided by financing activities	500,000	14,425,000	0	5,000,000
Net cash increase for period	405,872	11,860,020	(11,048,024)	(1,163,948)
Cash at beginning of period	0	405,872	12,265,891	1,217,867
Cash at end of period	405,872	12,265,891	1,217,867	53,919