

**Annual Meeting of the Board of Directors  
Eastern Shore Broadband Authority**

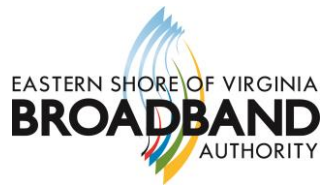
**May 27, 2021**

**2:00 p.m. at the ESVBA**

(Online: <https://zoom.us/j/93958252118?pwd=SHVhbjRXNDAvazZQWndFdIRSV0hNQTO9>)

**AGENDA**

- 1. Call to Order**
- 2. Agenda Adoption**
- 3. Public Comment**
- 4. Officer and Board Member Elections**
- 5. Adjournment**



## Regular Meeting of the Board of Directors of the Eastern Shore Broadband Authority

**May 27<sup>th</sup>, 2021**

**2:00 p.m. virtually via Zoom**

<https://zoom.us/j/93958252118?pwd=SHVhbjRXNDAvazZQWndFdIRSV0hNQOT09>

### **AGENDA**

- 1. Call to Order**
- 2. Agenda Adoption**
- 3. Public Comment**
- 4. Approval of Minutes**
- 5. System Status & Build Report**
- 6. Old business**
  - a. Authorization of use of remaining bond proceeds**
- 7. New Business**
  - a. FY2022 Budget**
- 8. Treasurers Report**
- 9. Board Comments**
- 10. Closed Session**
  - a. Personnel Discussion** (Section 2.2-3711 Paragraph 1) <sup>(1)</sup>
  - b. Contracted Revenue** (Section 2.2-3711 Paragraph 33) <sup>(4)</sup>
- 11. Adjournment**

*Next Board Regular Meeting: July 22<sup>nd</sup>, 2021*

**1. Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; (A) Paragraph 1.** Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

**2. Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; Paragraph 3:** Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

**3. Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; Paragraph 29:** Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

**4. Closed Session: Section 2.2-3711 of the Code of Virginia of 1950, as amended; Paragraph 33:** Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 19 of § 2.2-3705.6.

# **MINUTES**

## **Regular Meeting of the Board of Directors of the Eastern Shore of Virginia Broadband Authority**

**March 25, 2021**

Board members in attendance were: John Reiter, Mike Mason, Charles Kolakowski, Kelvin Pettit, and Elaine Meil.

ESVBA management participating in the meeting who were in attendance: Robert Bridgham and Leah Hoopes (Secretary)

Members of the public attending were:

Ms. Meil called the meeting to order at 2:02 pm.

### **AGENDA ADOPTION**

*Mr. Reiter moved to adopt the agenda. Mr. Mason seconded. Motion passed unopposed.*

### **PUBLIC COMMENT**

None

### **REVIEW OF MINUTES**

*Mr. Reiter moved to approve the Regular Board meeting minutes from December. Mr. Kolakowski seconded. Motion passed unopposed.*

### **SYSTEM STATUS & BUILD REPORT**

1. WiFi Hotspots- There are currently 25 hotspots in service.
2. Residential Broadband- Mr. Bridgham reported that the Authority has 1460 active residential customers. He stated that there are 55 customers in service in Harborton, 21 in Bobtown, 53 in Church Neck, 48 in Sanford, 2 on Cheapside, 4 on Cobbs Station, 82 in Accomac, 6 in Townsend, 50 in Greenbackville, 55 in Atlantic, 44 in Wattsville/Horntown, 55 in Oak Hall, 71 in Hallwood, 29 in Painter/Quinby, 42 in Eastville, 31 in

Nassawadox, 7 in Oyster, 148 in Exmore, 45 in Belle Haven, 42 in Cheriton, 28 in Wachapreague, 237 in Onancock, 180 in Cape Charles, 87 in Parksley, 5 in Nocks Landing, 29 in Saxis, and 4 on Chincoteague.

Mr. Mason asked how many of the 297 installs in the queue are underground.

Mr. Bridgham estimated about 60%.

3. WISP EVPL Program- Mr. Bridgham informed the BOD that 52 sites are in service, 8 new sites on-order and underway.
4. Microcommunity Program- There are 9 communities that are in service and 10 others that are in various stages of progress.
5. 2021 CARES projects in Accomack and Northampton- Mr. Bridgham has been working with both counties and has started analyzing which routes to take. He has also started procuring materials for the projects. He explained that lease agreements have been signed for Tangier, electrical work has been done on the island, and most of the radio equipment has been received. A second link will be set up to Tangier and construction will begin mid-April.

Mr. Bridgham stated that ESVBA was approved to take part in the Emergency Broadband Benefit program.

Ms. Meil asked if the program will be advertised to the residential customers.

Mr. Bridgham explained that after some testing, it will be advertised to new and existing customers.

Mr. Bridgham also stated that lead time on fiber has jumped to about a year but ESVBA has ordered all the materials for the bond buildout. He will continue to order ahead causing the inventory asset to increase.

## **OLD BUSINESS.**

### **a. Continuation of discussion of remaining bond proceeds-**

Mr. Bridgham announced that there should be about \$300k left after the bond buildout is completed and discussed the different options the funds could be used for.

Mr. Reiter suggested using the funds to connect more customers instead of building out.

Ms. Meil asked how much the underground equipment would cost.

Mr. Bridgham replied that the equipment needed for

underground would be about \$160k and a ¾ month lead time. Mr. Pettit asked about contractors that may already have the equipment.

Mr. Reiter voted to purchase the equipment now and budget for additional crews next fiscal year.

Mr. Mason supports purchasing the equipment in order to get installs done in a timely manner.

Mr. Pettit doesn't know if purchasing the equipment is the right answer for the current short term problem.

Mr. Kolakowski is in favor for buying the equipment and using the remainder for expansion. He asked what the time frame is on hiring and training employees.

Mr. Kolakowski is interested in finding a way to reduce the cost of high installations.

Mr. Bridgham suggests having an April meeting about bond proceeds.

*Mr. Reiter motioned to schedule a Work Session on April 22, 2021 at 2pm. Mr. Mason seconded. Motion passed unopposed.*

### **NEW BUSINESS**

- a. **Update small purchase procedure** – *Mr. Reiter motioned to adopt the Small Purchase Procedure. Mr. Kolakowski seconded. Motion passed unopposed.*
- b. **Consider cancellation, porting, and collection policy**– *Mr. Reiter motioned to adopt the policy and to incorporate the attorney's changes. Mr. Mason seconded. Motion passed unopposed.*
- c. **Consider scheduling rate hearing**-  
*Mr. Reiter motioned to schedule a Rate Hearing Meeting for July and advertise 100Gbs for 60 months. Mr. Kolakowski seconded. Motion passed unopposed.*

### **TREASURER'S REPORT**

None

### **BOARD COMMENTS**

Mr. Mason asked why the take rate for the ftth areas has changed. Mr. Bridgham explained that the areas were modified to include the expanded network causing the take rate percentages to go

down.

### **CLOSED SESSION**

Motion to enter into closed session according to Section 2.2-3711 of the Code of Virginia of 1950, as amended;) Paragraph 1: Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively. Paragraph 3: Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Paragraph 29: Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. Paragraph 33: Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ [15.2-5431.1](#) et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § [2.2-3705.6](#)., made by Mr. Reiter, seconded by Mr. Mason. The following board members were present: Mr. Kolakowski, Mr. Mason, Mr. Reiter, Mr. Pettit, and Ms. Meil and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Reiter, seconded by Mr. Pettit that the Board had entered the closed session for that purpose as set out in Paragraph 1, 3, 29, and 33 of Section 2.2-3711 of the Code of Virginia of 1950, as amended. Roll call vote taken Vote was that no

other business discussed than as advised in Paragraph 1, 5, 7, and 33. The following board members were present: Mr. Kolakowski, Mr. Mason, Mr. Reiter, Mr. Pettit, and Ms. Meil and voted affirmative.

*Mr. Reiter motioned that the Executive Director be given 100% of his potential bonus for 2020. Mr. Kolakowski seconded. Motion passed unopposed.*

### **ADJOURNMENT**

The meeting was adjourned at 4:55pm.

These minutes were approved at the \_\_\_\_\_ meeting of the Board of Directors of ESVBA.

\_\_\_\_\_  
Presiding Officer

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Leah Hoopes, Secretary

# MINUTES

## Work Session Meeting of the Board of Directors of the Eastern Shore of Virginia Broadband Authority

**April 22, 2021**

Board members in attendance were: John Reiter, Elaine Meil, Charles Kolakowski, and Mike Mason

ESVBA management participating in the meeting who were in attendance: Robert Bridgham and Leah Hoopes (Secretary)

Mr. Meil called the meeting to order at 2:06 pm.

### **AGENDA ADOPTION**

*Mr. Reiter moved to adopt the agenda. Mr. Mason seconded. Motion passed unopposed.*

### **WORK SESSION**

- a. Discuss remaining funds from bond proceeds-** Mr. Bridgham announced that there will be about \$350k left over from the bond proceeds and he presented the different options. Ms. Meil asked if the Captain's Cove job would have to be contracted out or could it be done internally. Mr. Bridgham explained that the cove could potentially be willing to do the underground portion and Authority would be responsible for the connection from the access point to the customer. Mr. Mason asked if any cost comparisons have been done on internal cost versus using a third party. Ms. Meil asked how many people are needed to operate the crew. Mr. Bridgham estimated between 2 to 4 people. Ms. Meil asked what the annual budget for the crew would be. Mr. Bridgham stated that with benefits, it's an estimated \$86k. Ms. Meil asked if this would complete full capability for the



Authority to do all of its jobs.

Mr. Bridgham replied that it would and the only issue would be the volume.

Mr. Reiter asked if the funds could be used to cover some of the negative cash flow for adding additional customers.

Ms. Meil asked if the board disagrees with purchasing the equipment.

The board decided to bring the topic of purchasing equipment back at the May Meeting.

Ms. Meil asked about the VATI grant and the match requirements.

Mr. Mason asked Mr. Bridgham to put the grant as a topic on the next agenda.

The board agreed that getting underground caught up is the top priority.

### **ADJOURNMENT**

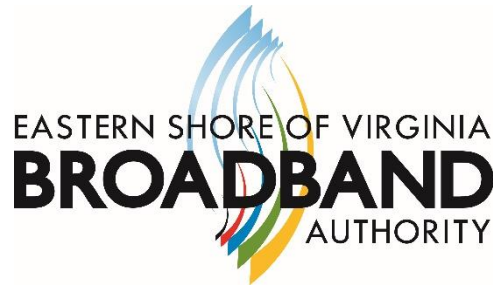
The meeting was adjourned at 2:58 pm.

These minutes were approved at the \_\_\_\_\_ meeting of the Board of Directors of ESVBA.

\_\_\_\_\_  
Presiding Officer

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Leah Hoopes, Secretary



## Status Report May 2021

### Status Report Topics

1. WiFi Hotspots
2. Residential Broadband
3. WISP EVPL Program
4. Microcommunity Program
5. 2021 CARES projects in Accomack & Northampton

## WIFI Hotspots

- Increased from 25 WiFi Hotspots
- Statistics for the Wifi hot spots have been provided
- We have one new park that contacted us to ask for a hotspot which we are working:
  - McMath Park in Onley
- We also have one further county-funded hotspot at McComas Park which is awaiting VDOT permits

## Residential Broadband

- We have continued to double all residential services from their base rates to help subscribers during the COVID-19 emergency

Residential Report as of 5/21/2021

Area	Date Opened	# of Homes	Number of Active Customers	% Active Customers	Number of Signed customers pending construction	% Signed awaiting install	Combined Take Rate (active + signed)	Number of customers with contracts	% Awaiting cust signature
Harborton	Nov-16	142	53	37.32%	3	2.11%	39.44%	0	0.00%
Bobtown/Pungoteague/Keller	Mar-17	513	20	3.90%	1	0.19%	4.09%	0	0.00%
Church Neck	Mar-17	157	69	43.95%	13	8.28%	52.23%	0	0.00%
Sanford	Dec-17	306	55	17.97%	7	2.29%	20.26%	2	0.65%
Cheapside	Dec-17	197	2	1.02%	28	14.21%	15.23%	0	0.00%
Cobbs Station	Dec-17	105	4	3.81%	0	0.00%	3.81%	1	0.95%
Accomac	Dec-17	648	85	13.12%	1	0.15%	13.27%	1	0.15%
Townsend/Latimer Siding	Jan-18	80	6	7.50%	0	0.00%	7.50%	0	0.00%
Greenbackville	Jan-18	294	72	24.49%	27	9.18%	33.67%	1	0.34%
Atlantic	Mar-18	219	57	26.03%	11	5.02%	31.05%	2	0.91%
Wattsville-Horntown	Mar-18	262	48	18.32%	13	4.96%	23.28%	0	0.00%
Oak Hall	May-18	218	60	27.52%	11	5.05%	32.57%	1	0.46%
Hallwood	May-18	740	75	10.14%	3	0.41%	10.54%	0	0.00%
Quinby/Painter	Jun-18	354	37	10.45%	7	1.98%	12.43%	0	0.00%
Eastville	Jun-18	436	47	10.78%	3	0.69%	11.47%	0	0.00%
Nassawadox	Aug-18	455	35	7.69%	6	1.32%	9.01%	0	0.00%
Oyster	Aug-18	87	7	8.05%	0	0.00%	8.05%	0	0.00%
Exmore	Sep-18	740	160	21.62%	31	4.19%	25.81%	2	0.27%
Belle Haven	Sep-18	478	44	9.21%	3	0.63%	9.83%	0	0.00%
Cheriton	Oct-18	236	44	18.64%	0	0.00%	18.64%	0	0.00%
Wachapreague	Oct-18	300	31	10.33%	1	0.33%	10.67%	0	0.00%
Onancock	Nov-18	1907	256	13.42%	17	0.89%	14.32%	3	0.16%
Cape Charles	Nov-18	910	195	21.43%	27	2.97%	24.40%	1	0.11%
Parksley	Jan-19	896	90	10.04%	29	3.24%	13.28%	0	0.00%
Nocks Landing	Jan-19	88	5	5.68%	0	0.00%	5.68%	0	0.00%
Chincoteague	Jan-19	1345	3	0.22%	3	0.22%	0.45%	0	0.00%
Saxis	May-20	248	33	13.31%	4	1.61%	14.92%	0	0.00%
Tangier	May-21	342	0	0.00%	27	7.89%	7.89%	11	3.22%
Totals:		12,703	1,593		276			25	

## WISP EVPL Program

- Fifty-two (52) sites in service, eight (8) new sites on-order and underway (one has been on hold for quite some time).

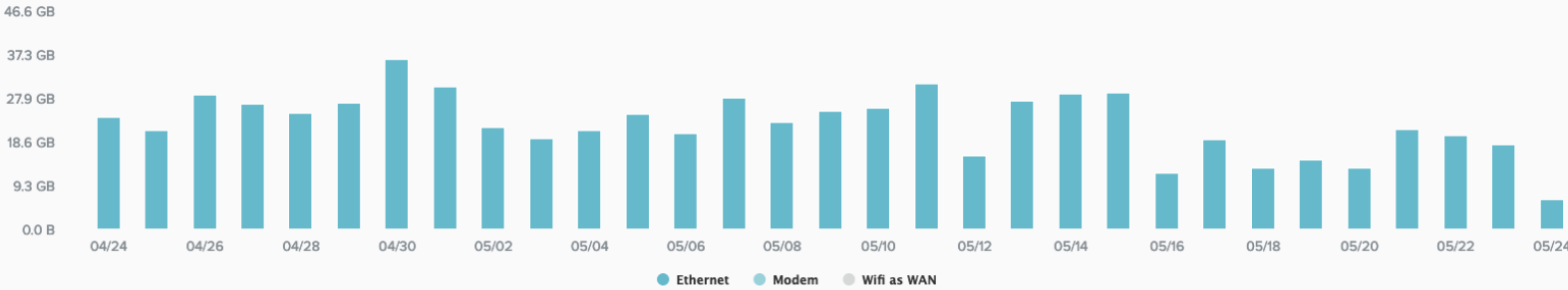
- Bandwidth upgrades have been provisioned for several towers and sites continue to be added.
- We are also still processing several migrations from the WISPs on the Eastern Shore

### **Microcommunity Program**

- There now 9 microcommunities in-service and operational (Wise Street has just been finished)
- We have 10 approved microcommunities representing 87-homes that have been approved and are in-progress of being constructed. Sand Hill, representing 27 homes has 80% of the backbone buried.

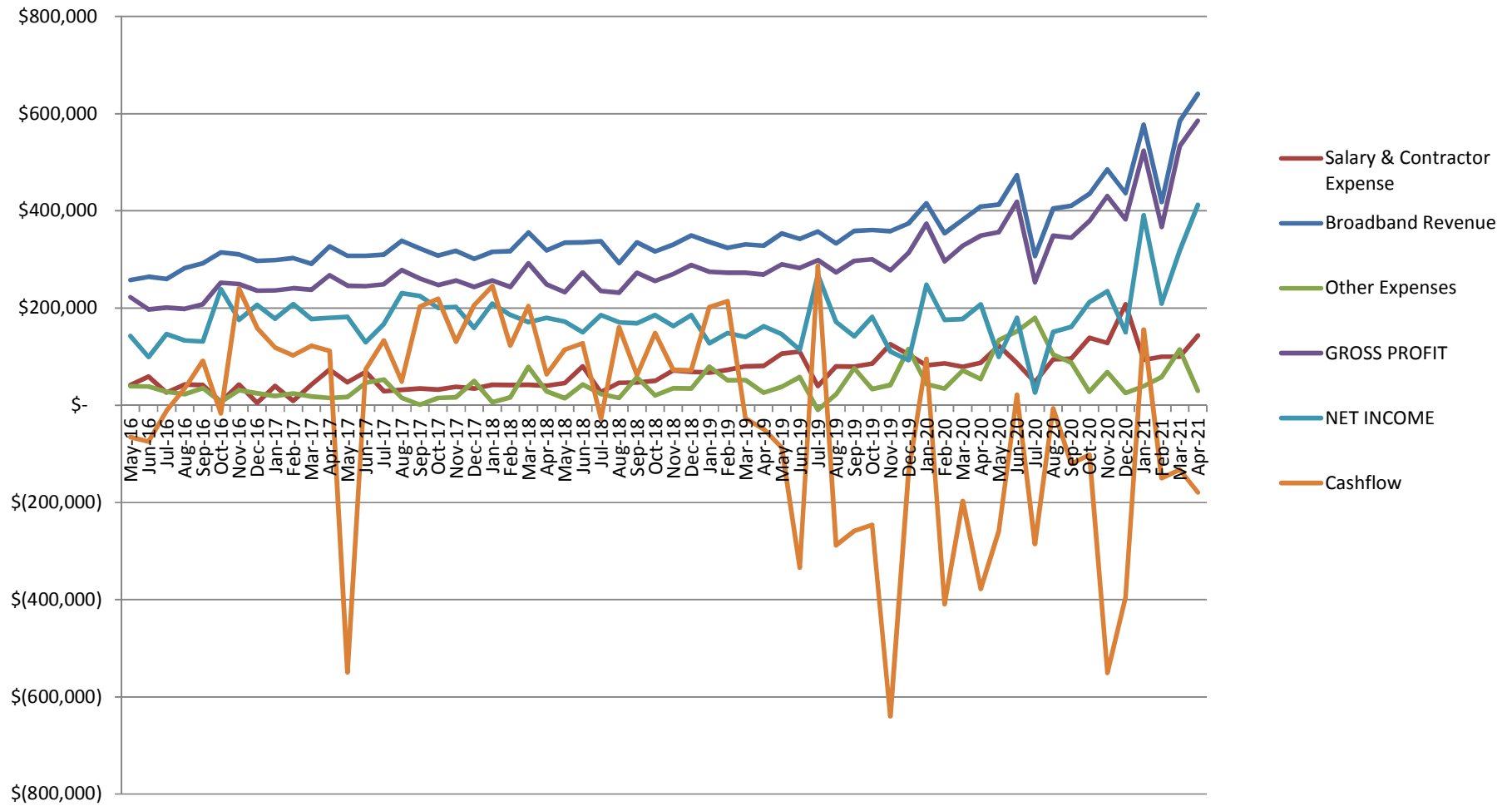
### **2021 CARES projects in Accomack & Northampton**

The ESVBA has worked with both Accomack & Northampton to prepare MOUs for construction of projects in both Counties. The Accomack MOU was executed 3/19 and Northampton's should be completed shortly. We have started preliminary ride-outs to verify routes are not already built and we have submitted several routes to engineering for design. Materials have started to be ordered to prepare for the builds.



Name	Total Data ↓	Ethernet	Wifi as WAN	Modems
ESVBA Johnson CT	368.4 GB	368.4 GB	0.0 B	0.0 B
ESVBA Dreamland 2	223.2 GB	223.2 GB	0.0 B	0.0 B
ESVBA Petit Trailer Park Mappsville	92.9 GB	92.9 GB	0.0 B	0.0 B
ESVBA AS West Rd	8.9 GB	8.9 GB	0.0 B	0.0 B
ESVBA Seaside Trailer Park	1.7 GB	1.7 GB	0.0 B	0.0 B

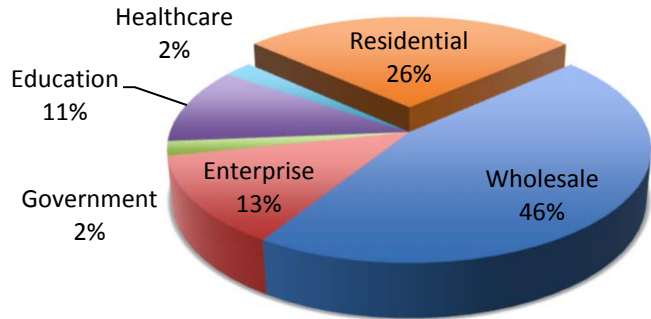
## May '16 to Apr '21 Financials



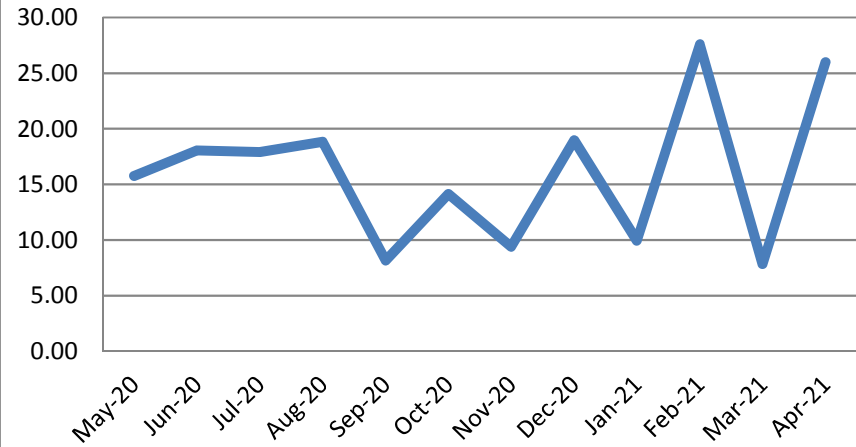
# ESVBA Dashboard - May 2021

## Financial Data

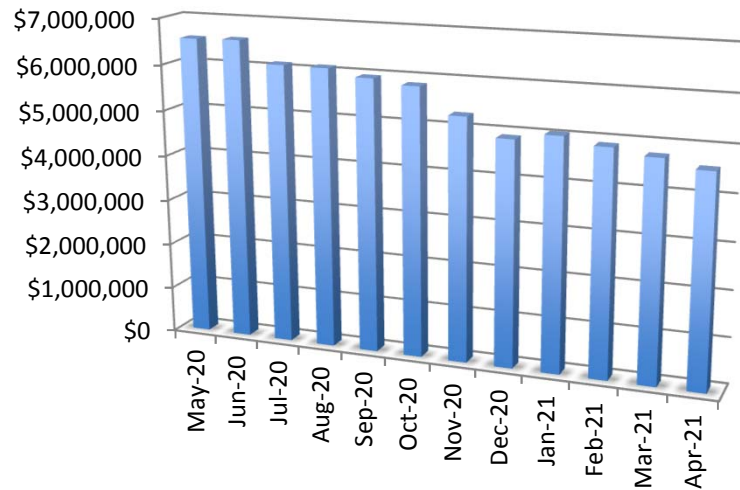
Revenue by Sector as of April 2021



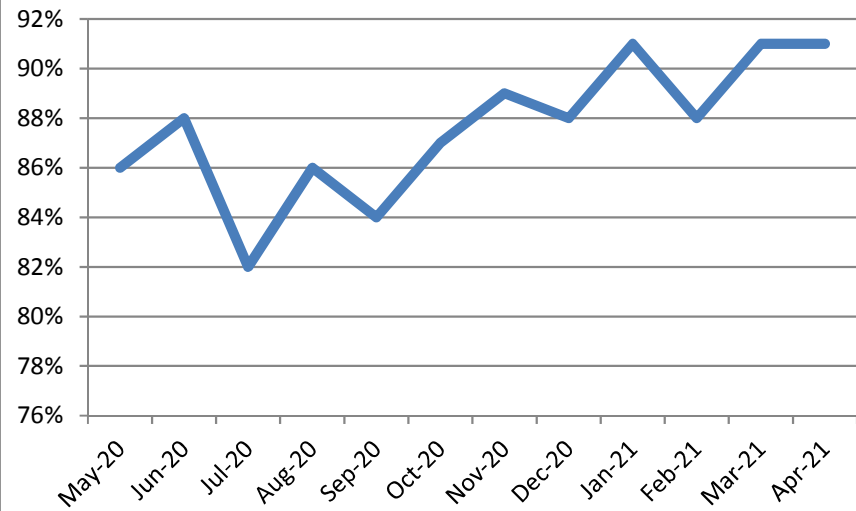
Quick Ratio



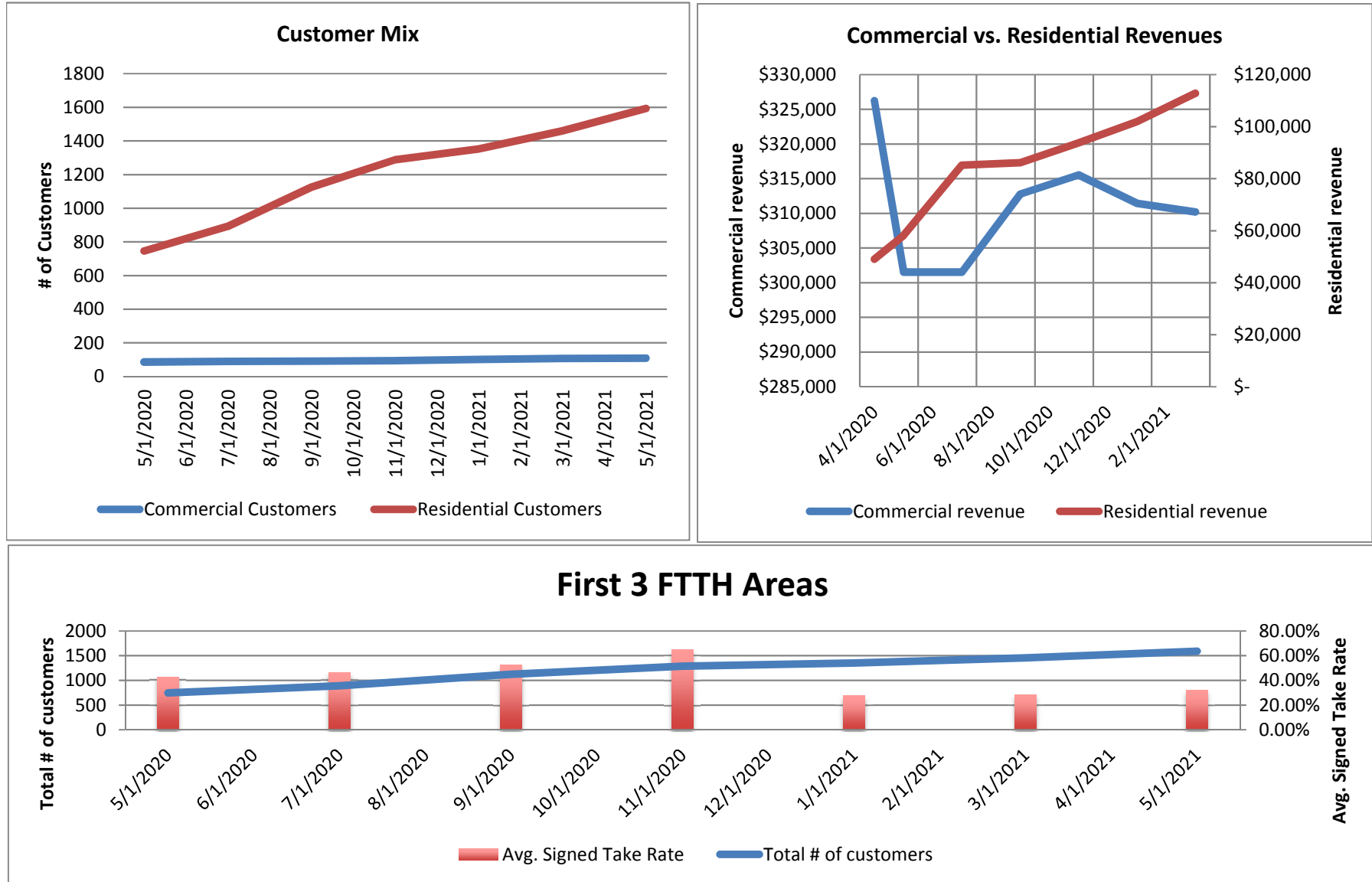
Cash & Cash Equivalents



GROSS PROFIT MARGIN



## ESVBA Dashboard - May 2021





**Eastern Shore of Virginia Broadband Authority**  
**Board Balance Sheet**  
**End of Apr 2021**

Financial Row	Amount
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank</b>	
10010 - General Operating Account - BB&T (0720)	\$943,072.56
10020 - Capital Expansion Account - BB&T (0747)	\$599,613.38
10030 - Equipment Accrual - BB&T (0739)	\$667,136.09
10160 - Annual Accrual - BB&T (7622) Savings Acct	\$1,171,663.72
10165 - Expansion Proceeds BB&T Savings Acct (0070)	\$1,130,504.44
10180 - Merchant Services - BB&T (8016)	\$60,862.01
10990 - Petty Cash	\$150.00
<b>Total Bank</b>	<b>\$4,573,002.20</b>
<b>Accounts Receivable</b>	
11000 - Accounts Receivable	\$328,727.55
<b>Total Accounts Receivable</b>	<b>\$328,727.55</b>
<b>Other Current Asset</b>	
11900 - Undeposited Funds	\$5,607.37
13100 - Inventory Asset	\$1,459,729.21
15000 - Plant in Service	\$3,048.00
<b>Total Other Current Asset</b>	<b>\$1,468,384.58</b>
<b>Total Current Assets</b>	<b>\$6,370,114.33</b>
<b>Fixed Assets</b>	
14100 - General Furniture Fixtures	\$42,727.66
14199 - Accumulated Depreciation - Furniture	(\$14,967.05)
14200 - Equipment:Computers, Printers, Equip, Software	\$81,329.55
14299 - Accumulated Depreciation - Equipment	(\$81,364.76)
15010 - Physical Plant Structure	\$17,284,029.33
15020 - Physical Plant Electronics	\$4,068,472.35
15040 - Physical Plant Towers	\$150,840.58
15050 - Physical Plant Mobile - (Mobile Carriers & Generators)	\$101,446.32
15060 - Physical Plant Huts	\$187,197.91
15070 - Physical Plant Tools & Equipment	\$22,918.39
15098 - Accumulated Depreciation - Plant In Service	(\$6,104,261.48)
15100 - Physical Plant Network & Software	\$21,885.09
15199 - Accumulated Depreciation - Software	(\$43,215.85)
15200 - Vehicles & Equipment	\$715,150.22
15299 - Accumulated Depreciation - Vehicles	(\$258,233.00)
16000 - Railway Easement	\$250,000.00
17000 - Land	\$10,000.00
<b>Total Fixed Assets</b>	<b>\$16,433,955.26</b>
<b>Total ASSETS</b>	<b>\$22,804,069.59</b>
<b>Liabilities &amp; Equity</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20000 - Accounts Payable	\$239,557.17
<b>Total Accounts Payable</b>	<b>\$239,557.17</b>
<b>Credit Card</b>	
21010 - BB&T Visa 5701 LH	\$2,323.65
21030 - BB&T Visa 5340 RB	\$7,324.48
21040 - BB&T Visa 7215 TE	\$1,250.17
<b>Total Credit Card</b>	<b>\$10,898.30</b>
<b>Other Current Liability</b>	
20010 - Accrued Purchases	(\$54,783.88)
26200 - Va Communications Tax	\$3.19
<b>Total Other Current Liability</b>	<b>(\$54,780.69)</b>

<b>Total Current Liabilities</b>	<b>\$195,674.78</b>
<b>Long Term Liabilities</b>	
27500 - BB&T Loan for Expansion	\$4,594,000.00
28000 - Deferred Income	\$195,441.36
<b>Total Long Term Liabilities</b>	<b>\$4,789,441.36</b>
<b>Equity</b>	
Retained Earnings	\$16,028,775.95
Net Income	\$1,790,177.50
<b>Total Equity</b>	<b>\$17,818,953.45</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$22,804,069.59</b>

**Eastern Shore of Virginia Broadband Authority**  
**Board Income Statement**  
**Mar 2021, Apr 2021**

Financial Row	Mar 2021 Amount	Apr 2021 Amount	Total Amount
<b>Income</b>			
<b>40000 - Broadband Income</b>			
Education Income	\$49,139	\$48,761	\$97,900
Enterprise Income	\$36,085	\$57,598	\$93,684
Government Income	\$9,082	\$9,219	\$18,301
Medical Income	\$10,204	\$10,204	\$20,408
Residential Income	\$102,205	\$120,185	\$222,390
Wholesale Income	\$207,391	\$206,367	\$413,757
<b>Total - 40000 - Broadband Income</b>	<b>\$414,106</b>	<b>\$452,334</b>	<b>\$866,440</b>
<b>40900 - Installation Income</b>			
Enterprise Income	\$0	\$5,925	\$5,925
Government Income	\$2,178	\$250	\$2,428
Residential Income	\$9,025	\$45,950	\$54,975
Wholesale Income	\$2,051	\$2,051	\$4,102
<b>Total - 40900 - Installation Income</b>	<b>\$13,254</b>	<b>\$54,176</b>	<b>\$67,430</b>
<b>46400 - Other Income</b>			
Other Income	\$0	\$0	\$0
Wholesale Income	\$150	\$150	\$300
<b>Total - 46400 - Other Income</b>	<b>\$150</b>	<b>\$150</b>	<b>\$300</b>
<b>46460 - Interest Income</b>			
Other Income	\$152	\$147	\$298
<b>Total - 46460 - Interest Income</b>	<b>\$152</b>	<b>\$147</b>	<b>\$298</b>
<b>46470 - Other Income- USAC</b>			
Other Income	\$2,745	\$3,133	\$5,879
<b>Total - 46470 - Other Income- USAC</b>	<b>\$2,745</b>	<b>\$3,133</b>	<b>\$5,879</b>
<b>Total - Income</b>	<b>\$430,407</b>	<b>\$509,940</b>	<b>\$940,347</b>
<b>Cost Of Sales</b>			
50100 - Cost of Goods Sold:Internet Access	\$6,779	\$6,678	\$13,457
50300 - Cost of Goods Sold:3rd Party Dark service	\$27,263	\$27,270	\$54,533
50400 - Cost of Goods Sold:Utility Locates	\$362	\$334	\$696
50500 - Cost of Goods Sold:Pole Attachments	\$0	\$3,150	\$3,150
50600 - Cost of Goods Sold:3rd Party Transport	\$12,330	\$12,399	\$24,729
51010 - Cost of Goods Sold:Collocation/Hut Expense:Utilities	\$2,446	\$2,390	\$4,836
51020 - Cost of Goods Sold:Collocation/Hut Expense:Phone, Communic.	\$138	\$133	\$270
51030 - Cost of Goods Sold:Collocation/Hut Expense:Fuel	\$59	\$84	\$143
51090 - Cost of Goods Sold:Collocation/Hut Expense:Maintenance	\$2,187	\$2,855	\$5,042
<b>Total - Cost Of Sales</b>	<b>\$51,562</b>	<b>\$55,293</b>	<b>\$106,856</b>
<b>Gross Profit</b>	<b>\$378,844</b>	<b>\$454,647</b>	<b>\$833,491</b>
<b>Expense</b>			
61200 - Payroll Expenses:Wages & Benefits	\$100,016	\$143,263	\$243,279
62100 - Sales and Marketing:Sales Commissions	\$544	\$0	\$544
62200 - Sales and Marketing:Marketing and Promotions	\$99	\$699	\$798
62300 - Sales and Marketing:Marketing Materials	\$0	\$251	\$251
63100 - Travel and Meetings:Conference, Convention, Meeting	\$0	\$350	\$350
63200 - Travel and Meetings:Mileage/Tolls Reimbursement	\$200	\$50	\$251
63400 - Travel and Meetings:Meals & Entertainment	\$0	\$1,068	\$1,068
63500 - Travel and Meetings:Other Travel	\$0	\$9,862	\$9,862
64200 - Bank Charges & Fees	\$653	\$607	\$1,259
64300 - Dues, Subscriptions, Books	\$50	\$0	\$50
64320 - Dumpster/Trash Removal	\$186	\$186	\$371
64370 - Janitorial Services	\$680	\$715	\$1,395
64400 - Office Supplies & Expense	\$2,307	\$978	\$3,284
64420 - Printing and Copying	\$472	\$993	\$1,465
64450 - Postage, Mailing & Shipping	\$275	\$143	\$418
64460 - Office IT Hardware/Software	\$3,716	\$3,577	\$7,292

64470 - Office Maintenance & Repair	\$0	\$90	\$90
64480 - Rent or Lease Payments	\$650	\$650	\$1,300
64630 - Staff Development	\$363	\$576	\$939
64700 - Taxes	\$2,382	\$2,215	\$4,597
64750 - Telephone & Telecommunications	\$558	\$571	\$1,130
64760 - Mobile Phones	\$120	\$40	\$160
65100 - Professional Services:Accounting & Administration	\$0	\$850	\$850
65200 - Professional Services:Legal Fees	\$0	\$2,365	\$2,365
67000 - Vehicle & Equipment Expenses	\$0	-\$8,328	-\$8,328
67300 - Vehicle Fuel	\$2,269	\$2,695	\$4,964
67400 - Vehicle & Equip Maintenance & Repair Expenses	\$7,858	\$6,121	\$13,980
68100 - Physical Plant Maintenance/Agreements/Warranties/Software	\$79,778	\$0	\$79,778
68200 - Physical Plant Permits & Fees	\$2,212	\$1,310	\$3,522
68330 - Physical Plant/Inventory Disposed Items	\$1,169	\$0	\$1,169
68400 - Physical Plant Tools & Safety Equipment	\$7,083	\$4,528	\$11,611
68500 - Physical Plant Shipping Freight & Delivery	\$5,701	\$1,222	\$6,924
<b>Total - Expense</b>	<b>\$219,341</b>	<b>\$177,646</b>	<b>\$396,988</b>
<b>Net Income</b>	<b>\$159,503</b>	<b>\$277,000</b>	<b>\$436,503</b>

**Eastern Shore of Virginia Broadband Authority**  
**Board Cash Flow Statement**  
**Mar 2021, Apr 2021**

Financial Row	Amount
<b>Operating Activities</b>	
Net Income	\$579,766.47
<b>Adjustments to Net Income</b>	
Accounts Receivable	\$34,456.25
Inventory Asset	(\$113,915.50)
Other Current Asset	(\$1,632.00)
Accounts Payable	(\$221,200.02)
Other Current Liabilities	\$38,140.74
<b>Total Adjustments to Net Income</b>	<b>(\$264,150.53)</b>
<b>Total Operating Activities</b>	<b>\$315,615.94</b>
<b>Investing Activities</b>	
Fixed Asset	(\$625,152.98)
<b>Total Investing Activities</b>	<b>(\$625,152.98)</b>
<b>Financing Activities</b>	
Long Term Liabilities	(\$2,101.52)
<b>Total Financing Activities</b>	<b>(\$2,101.52)</b>
<b>Net Change in Cash for Period</b>	<b>(\$311,638.56)</b>
<b>Cash at Beginning of Period</b>	<b>\$4,890,248.13</b>
<b>Cash at End of Period</b>	<b>\$4,578,609.57</b>

<b>Agenda Item</b>	Discuss remaining funds from bond proceeds
<b>Dollar Amount</b>	\$349,737
<b>Recommended Action</b>	It is recommended that the ESVBA board authorize the staff to procure the large vibratory plow platform to ensure the purchase is initiated and equipment is available to support any of our underground needs. The remaining \$189,737 be expended on additional routes starting with the list in Exhibit 1 until the funds are fully expended.

### **Considerations**

There are three options immediately available to consider expending the remaining funds from the 2018 Bond proceeds:

1. The ESVBA can construction further network expansions making services available to a larger group of residents on the Eastern Shore. See Exhibit 1 for suggested routes and sub-totals of costs for each suggested route in the two counties. The suggested routes total \$292,901 of additional spending. These routes would need to be reviewed to verify there are no current wire-line providers on these suggested routes.
2. The ESVBA can use these funds to provide additional assistance to customer connections by offering some financial assistance to subscribers helping offset large installations. The program could request subscribers prove need by participating in SNAP/WIC/Free and reduced lunch program and offer something such as a reduction in a customer's installation of up to \$1000 / subscriber to help those in need.
3. The ESVBA can also purchase additional resources to enhance its underground capabilities. This enhancement to the ESVBA assets would provide the ESVBA a large vibratory plow platform to support placing 1.25" conduits 24-36" deep providing the ability for longer installations and backbone builds. The equipment will take 3-4 months for delivery and cost approximately \$160,000. In that time, the ESVBA can leverage its already-funded positions in the current budget year to hire two additional staff members and create a new underground team. The two new hires would be split and our existing teams would be split to leave a senior operator with a junior new-hire to learn and ramp-up.

**Exhibit 1**

	Segment	Descr	Cost	Length	College Students	K-12 Students	Businesses	Previous Customer Requests	# incremental Passings
ACK	Stump Town Rd	Between Saxis Rd and Ross Rd	\$ 30,400	13,491	1	5	0	2	47
	Justisville Rd	Between Hopkins Rd & Maxwell St	\$ 36,919	15,037	1	10	1	7	58
	Parks Rd	Between Rt-13 & Chirley Cir	\$ 10,940	4,634	2	4	0	9	28
	Horntown Rd	Between Rt-13 & Fleming Rd	\$ 48,303	21,461	1	8	2	5	58
	Bloxom Rd	Between Gargatha Landing Rd & the end of Bloxom Rd	\$ 17,275	7,076	2	9	0	2	24
	Holland Rd	Between Withams Rd & Valerie Trailer Park	\$ 41,913	16,325	3	7	0	5	52
			\$ 185,750	78,024					

NHC	Heron Dr	Between Church Neck Rd & Trout Ln.	\$ 57,844	7,331	0	1	1	2	38
	Culls Dr	Between Bayview Circle & end	\$ 12,486	5,278	0	8	0	0	28
	Ramshorn Rd	Between Rt-13 & end	\$ 15,038	1,668	0	6	0	0	17
	Banks Rd	Off of Seaview Dr	\$ 15,379	4,188	2	5	0	1	30
	Laughing Gull	Off of Bayview Cir	\$ 6,404	2,402	0	14	0	1	32
			\$ 107,151	20,867					

April 2021 Work Session



					Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	
Acct. #'s	Revenues																
	Total Revenue=				\$ 431,251	\$ 436,501	\$ 441,751	\$ 447,001	\$ 452,251	\$ 457,501	\$ 462,751	\$ 468,001	\$ 473,251	\$ 478,501	\$ 483,751	\$ 489,001	\$ 5,521,512
	Cost of Goods Sold																
	Total Cost of Goods Sold=				\$ 90,330	\$ 90,330	\$ 105,330	\$ 114,330	\$ 115,330	\$ 115,330	\$ 115,330	\$ 115,330	\$ 115,330	\$ 115,330	\$ 116,330	\$ 116,330	\$ 1,324,960
	Gross Margin =				\$ 340,921	\$ 346,171	\$ 336,421	\$ 332,671	\$ 336,921	\$ 342,171	\$ 347,421	\$ 352,671	\$ 357,921	\$ 363,171	\$ 367,421	\$ 372,671	\$ 4,196,552
	Gross Margin (%) =				79%	79%	76%	74%	74%	75%	75%	75%	76%	76%	76%	76%	76%
	Wages & Benefits																
61200	Non-Sales Full Time Employees	Salary	% Utilization	Start	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
	Sub-Total Gross Wages of FT Non-Sales				\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 93,387	\$ 1,120,640
	Part Time Employees	Salary	% Utilization	Start	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
	Sub-Total Gross Wages of PT Non-Sales				\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 18,000
	Full Time Sales Employees	Salary	% Utilization	Start	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
	Sub-Total Gross Wages Sales				\$ 5,768	\$ 5,768	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 10,435	\$ 115,883
	Payroll Expense				\$ 141,735	\$ 141,735	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 148,396	\$ 1,767,431
	Contractors																
					\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 1,125	\$ 13,500
	Referral Sales Commissions/Bonus																
					\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 4,833	\$ 58,000
	TOTAL WAGES & BENEFITS				\$ 147,693	\$ 147,693	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 154,355	\$ 1,838,931
	Operating Expenses																
	Sales & Marketing																
					\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,600	\$ 55,200
	Travel & Entertainment																
					\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 5,370	\$ 64,440
	Office & Facilities																
					\$ 18,170	\$ 18,170	\$ 18,170	\$ 18,370	\$ 18,370	\$ 18,370	\$ 18,570	\$ 18,570	\$ 18,570	\$ 18,770	\$ 18,770	\$ 18,770	\$ 221,640
	Vehicle & Equipment Expenses																\$ -
					\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 4,840	\$ 58,080
	Professional Services																
					\$ 5,200	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 81,100
	System Maintenance & Repair																
					\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 410,400
	Insurance																
64360	VA Corp		Auto, Liability, D and O		\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 14,400
	Other																
					\$ -	\$ -	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000
	TOTAL OPERATING EXPENSES				\$ 73,580	\$ 75,280	\$ 138,280	\$ 75,480	\$ 75,480	\$ 75,480	\$ 75,680	\$ 75,680	\$ 75,680	\$ 75,880	\$ 75,880	\$ 75,880	\$ 968,260
	TOTAL SG&A EXPENSE				\$ 221,273	\$ 222,973	\$ 292,635	\$ 229,835	\$ 229,835	\$ 229,835	\$ 230,035	\$ 230,035	\$ 230,035	\$ 230,235	\$ 230,235	\$ 230,235	\$ 2,807,191
	OPERATING CASH FLOW				\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ 107,086	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 137,186	\$ 142,436	\$ 1,389,361

	EBITDA		\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ 107,086	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 137,186	\$ 142,436	\$ 1,389,361
	EBITDA (%)		28%	28%	10%	23%	24%	25%	25%	26%	27%	28%	28%	29%	25%
	Interest Payments						\$ 111,000						\$ 102,000		\$ 213,000
	Principal Payments	(BB&T Bond)					\$ 406,000								\$ 406,000
	Operating Income before Depreciation		\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ (409,914)	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 35,186	\$ 142,436	\$ 770,361
	Depreciation Expense		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pretax Income		\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ (409,914)	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 35,186	\$ 142,436	\$ 770,361
	Income Tax (0%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	After Tax Income/(Loss)		\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ (409,914)	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 35,186	\$ 142,436	\$ 770,361
	OPERATING CASH FLOW less Financial Acivities		\$ 119,648	\$ 123,198	\$ 43,786	\$ 102,836	\$ (409,914)	\$ 112,336	\$ 117,386	\$ 122,636	\$ 127,886	\$ 132,936	\$ 35,186	\$ 142,436	\$ 770,361
10030	Equipment Replacement Accrual	(Equipment Repl., Additions, etc)	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 96,000
		Balance as of 5-24-20 = \$675,136													
10020	Capital Expansion Accrual	(Network Expansion, etc)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000
		Balance as of 5-24-20 = \$604,613													
	Capital Expenditures	Network Expansion, Equipment (excludes \$590K Equipment Encumbrances from FY21)	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 53,958	\$ 647,500
	INCREASE (DECREASE) IN CASH	Operating less Finance & CAPEX	\$ 52,690	\$ 56,240	\$ (23,172)	\$ 35,878	\$ (476,872)	\$ 45,378	\$ 50,428	\$ 55,678	\$ 60,928	\$ 65,978	\$ (31,772)	\$ 75,478	\$ (33,139)
	Projected Beginning Cash Balance *		\$ 3,191,105	\$ 3,243,795	\$ 3,300,035	\$ 3,276,863	\$ 3,312,741	\$ 2,835,869	\$ 2,881,247	\$ 2,931,675	\$ 2,987,353	\$ 3,048,282	\$ 3,114,260	\$ 3,082,488	\$ 3,191,105
	Projected Ending Cash Balance	(Carry forward of \$590,000)	\$ 3,243,795	\$ 3,300,035	\$ 3,276,863	\$ 3,312,741	\$ 2,835,869	\$ 2,881,247	\$ 2,931,675	\$ 2,987,353	\$ 3,048,282	\$ 3,114,260	\$ 3,082,488	\$ 3,157,966	\$ 3,157,966

\* Cash balance excludes unexpended funds from bond proceeds. Starting cash balance in July '21 is an approximation from the estimated cash balance at the end of May '21

Description	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
Continued deploymeny of FTTH Phase 1	\$ 137,500	\$ 136,426	\$ 85,000	\$ 79,000	\$ 74,000	\$ 70,000	\$ 581,926
Deployment of subs from FY2018 Expansion	\$ 850,000	\$ 850,000	\$ 529,392	\$ 490,000	\$ 460,000	\$ 430,000	\$ 3,609,392
Microcommunity Funding	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 540,000
Network Extensions (Savage Neck, Seaview,Chesconessex)	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ 500,000	\$ 1,700,000
Towers	\$ -		\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
	\$ 1,077,500	\$ 1,076,426	\$ 704,392	\$ 1,459,000	\$ 1,224,000	\$ 1,090,000	\$ 6,631,318

Other Equipment/Systems							
DWDM System	\$ -	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 550,000
Air Conditioner Replacements	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Virtual Server Upgrades	\$ 10,000	\$ 20,000	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 130,000
Cisco 3560/2960/1200 Replacements	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Traffic Safety Equipment	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ -	\$ 80,000
Network Security/Anti Intrusion	\$ -	\$ 40,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 140,000
OTDR	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
JDSU Tester 100 Gig Interface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NTest FiberWatch	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Battery Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement/Addition	\$ 35,000	\$ 130,000	\$ 50,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 335,000
Additional Hub Site		\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Horizontal Bore System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Core Router Upgrades	\$ 50,000	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 250,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 120,000	\$ 905,000	\$ 310,000	\$ 140,000	\$ 130,000	\$ 40,000	\$ 1,645,000
	\$ 1,197,500	\$ 1,981,426	\$ 1,014,392	\$ 1,599,000	\$ 1,354,000	\$ 1,130,000	\$ 8,276,318

# ESVBA Org Chart

