



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

May 19th, 2022

2:00 p.m. at the ESVBA

2:00 p.m. at 4174 Lankford Hwy, Exmore, VA 23350

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 19th, 2022
2:00 p.m. at 4174 Lankford Hwy, Exmore, VA 23350**

AGENDA

- 1. Call to Order**
- 2. Agenda Adoption**
- 3. Public Comment**
- 4. Approval of Minutes**
- 5. System Status & Build Report**
- 6. Old business**
 - a. Present costs for migrant worker camps**
- 7. New Business**
 - a. FY2023 Budget**
 - b. VATI FY23**
- 8. Treasurers Report**
- 9. Board Comments**
- 10. Closed Session**
 - a. Contracted Revenue (Section 2.2-3711 Paragraph 33) ⁽⁴⁾**
- 11. Adjournment**

Next Board Regular Meeting: July 28nd, 2022

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 24, 2022

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

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

Members of the public attending were: Rick Willis and Pat Coady

Mr. Reiter called the meeting to order at 2:05 pm.

AGENDA ADOPTION

Ms. Meil moved to adopt the agenda. Mr. Mason seconded. Motion passed unopposed.

PUBLIC COMMENT

Rick Willis requested to have WiFi hotspots made available to the migrant labor camps so that the workers can stay connected with friends and family, attend virtual healthcare appointments, and communicate with resources. He stated that there are 10 camps with about 1400 workers.

Ms. Meil requested a list of addresses for the camps.

REVIEW OF MINUTES

Ms. Meil moved to approve the Regular Board Meeting Minutes from February. Mr. Kolakowski seconded. Motion passed unopposed.

SYSTEM STATUS & BUILD REPORT

1. WiFi Hotspots- There are currently 27 hotspots in service.
2. Residential Broadband- Mr. Bridgham reported that the Authority has 2,152 active residential customers. He stated that there are 53 customers in service in Harborton, 26 in

Bobtown, 74 in Church Neck, 70 in Sanford, 41 on Cheapside, 4 on Cobbs Station, 99 in Accomac, 7 in Townsend, 113 in Greenbackville, 62 in Atlantic, 74 in Wattsville/Horntown, 61 in Oak Hall, 82 in Hallwood, 65 in Painter/Quinby, 58 in Eastville, 76 in Nassawadox, 8 in Oyster, 235 in Exmore, 53 in Belle Haven, 44 in Cheriton, 36 in Wachapreague, 310 in Onancock, 219 in Cape Charles, 145 in Parksley, 5 in Nocks Landing, 37 in Saxis, 6 on Chincoteague, and 89 on Tangier.

Mr. Bridgham presented a new report showing the number of turn-ups per month and the average install per month.

3. WISP EVPL Program- Mr. Bridgham informed the BOD that 57 sites are in service, 2 new sites on-order and underway.
4. Microcommunity Program- There are 32 communities that are in service and 4 others that are in various stages of progress.
5. EBB Program- The program had 54 subscribers in the month of February. Mr. Mason asked about the lifespan of the ACP program. Mr. Bridgham explained that the ACP program has a funding limit but no Covid restrictions like the EBB program.
6. CARES projects in Accomack and Northampton- Mr. Bridgham announced that all of the Cares projects have been completed in both counties. There are a few Micros that are still in progress. Mill Run and Wilson Court will be done within the next few weeks.

The Authority has currently done marketing through mailers, social media, and attending events.

Mr. Bridgham informed the board that there will be a cable relocation on Shields Bridge road in the future that will require funds.

Mr. Bridgham stated that there are 2 IFBs in progress for an installation contractor and for materials.

Mr. Kolakowski moved to authorize the Executive Director to enter into agreement with DHCD and distribute the agreement to the BOD. Mr.

Mason seconded. Motion passed unopposed.

OLD BUSINESS

- a. **Approve FY21 Audit-** Mr. Bridgham presented the BOD with the FY21 Audit.

Mr. Mason moved to approve the FY21 audit. Ms. Meil seconded.

Motion passed unopposed.

NEW BUSINESS

- a. **Bank Resolution-** The BOD signed the updated bank resolution.
- b. **Allocation of funding for Pole Survey-** The Authority is attached to about 14,000 ANEC poles, which will cost around \$93k.

Mr. Mason authorized the Executive Director to pay \$93k for the ANEC Pole Survey. Ms. Meil seconded. Motion passed unopposed.
Mr. Mason suggested accruing for the surveys in the budget moving forward.

TREASURER'S REPORT

Mr. Mason presented the Treasurer's Report. He reported that expenses and revenues are up and the capital assets were increased because of the network builds. However, there is also a cash decrease because of the builds.

BOARD COMMENTS

None

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 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 Ms. Meil, seconded by Mr. Mason. The following board members were present: Mr. Mason, Mr. Reiter, Mr. Kolakowski, and Ms. Meil and voted affirmative.

After closed session, the Chair reconvened the meeting. Motion was made by Ms. Meil, seconded by Mr. Mason that the Board had entered the closed session for that purpose as set out in Paragraph 1 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 and 33. The following board members were present: Mr. Mason, Mr. Reiter, Mr. Kolakowski, and Ms. Meil and voted affirmative.

Mr. Mason motioned to implement the salary study results as provided by Evergreen, with 50% effective April 3 and 50% effective July 10, contingent on the VATI grant being executed. Ms. Meil seconded. Motion passed unopposed.

Mr. Mason moved to authorize the Executive Director to sign all procurement related documents regarding the materials for the VATI grant, contingent on legal review by the attorney. Mr. Kolakowski seconded. After discussion, motion passed unopposed.

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ADJOURNMENT

The meeting was adjourned at 3:55pm.

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

Presiding Officer

Copy teste:

Leah Hoopes, Secretary



Status Report May 2022

Status Report Topics

1. WiFi Hotspots
2. Residential Broadband
3. WISP EVPL Program
4. Microcommunity Program
5. ACP Program
6. VATI FY22 Status

WiFi Hotspots

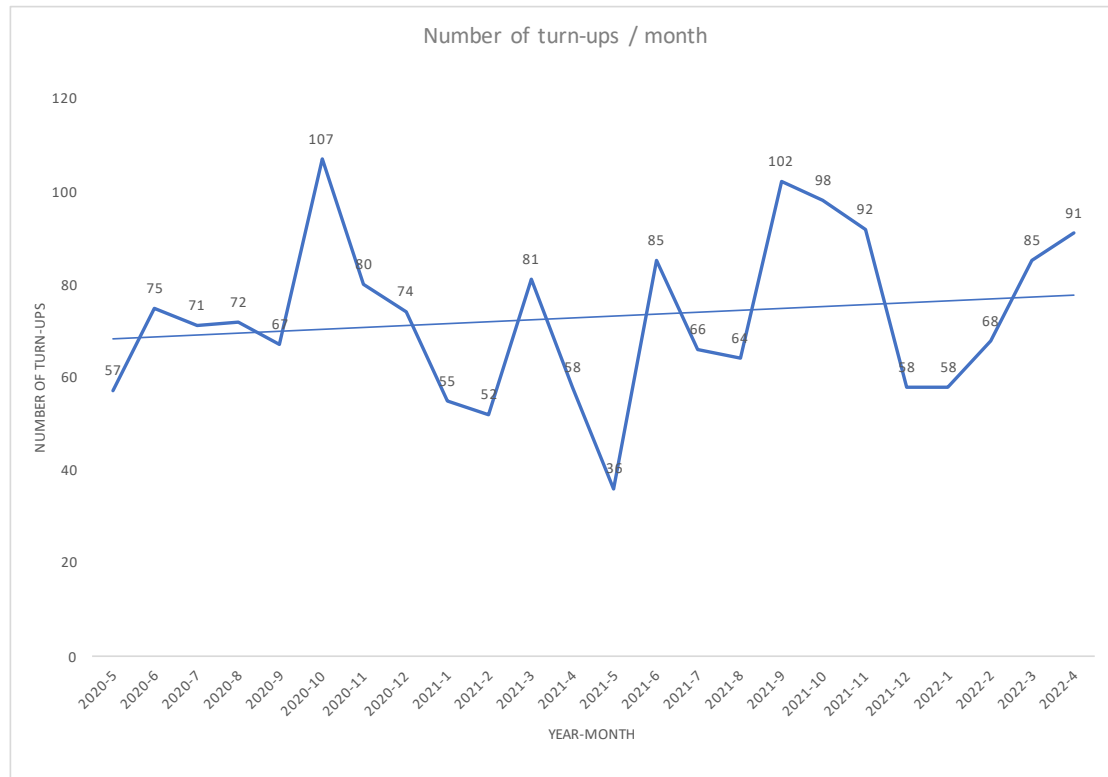
- 25 of 27 WiFi Hotspots online and the report is attached. Ebenezer Church node is down with no local contact responding to allow us to troubleshoot. McMath park node had fiber cut by electrician and node issue, working on resolving.

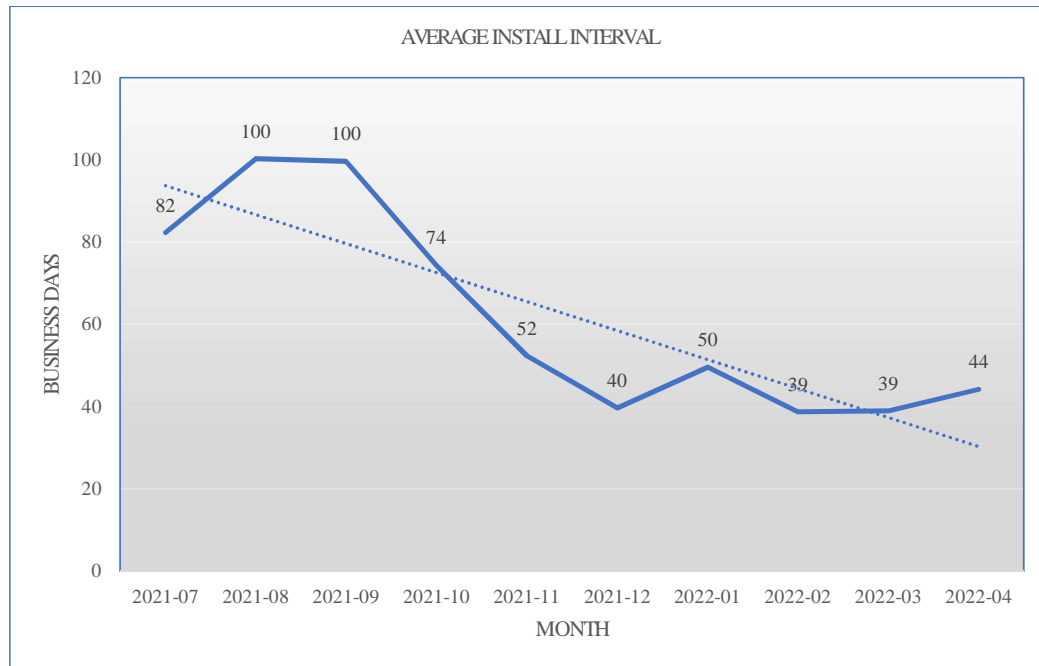
Residential Broadband

Residential Report as of 5/13/2022

| 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% | 0 | 0.00% | 37.32% | 1 | 0.70% |
| Bobtown/Pungoteague/Keller | Mar-17 | 513 | 27 | 5.26% | 1 | 0.19% | 5.46% | 2 | 0.39% |
| Church Neck | Mar-17 | 157 | 76 | 48.41% | 2 | 1.27% | 49.68% | 0 | 0.00% |
| Sanford | Dec-17 | 306 | 66 | 21.57% | 0 | 0.00% | 21.57% | 1 | 0.33% |
| Cheapside | Dec-17 | 197 | 40 | 20.30% | 0 | 0.00% | 20.30% | 0 | 0.00% |
| Cobbs Station | Dec-17 | 105 | 4 | 3.81% | 0 | 0.00% | 3.81% | 0 | 0.00% |
| Accomac | Dec-17 | 648 | 101 | 15.59% | 1 | 0.15% | 15.74% | 1 | 0.15% |
| Townsend/Latimer Siding | Jan-18 | 80 | 7 | 8.75% | 0 | 0.00% | 8.75% | 0 | 0.00% |
| Greenbackville | Jan-18 | 294 | 123 | 41.84% | 8 | 2.72% | 44.56% | 0 | 0.00% |
| Atlantic | Mar-18 | 219 | 63 | 28.77% | 1 | 0.46% | 29.22% | 0 | 0.00% |
| Wattsville-Horntown | Mar-18 | 262 | 73 | 27.86% | 26 | 9.92% | 37.79% | 0 | 0.00% |
| Oak Hall | May-18 | 218 | 62 | 28.44% | 3 | 1.38% | 29.82% | 2 | 0.92% |
| Hallwood | May-18 | 740 | 85 | 11.49% | 5 | 0.68% | 12.16% | 3 | 0.41% |
| Quinby/Painter | Jun-18 | 354 | 66 | 18.64% | 5 | 1.41% | 20.06% | 2 | 0.56% |
| Eastville | Jun-18 | 436 | 57 | 13.07% | 12 | 2.75% | 15.83% | 2 | 0.46% |
| Nassawadox | Aug-18 | 455 | 88 | 19.34% | 3 | 0.66% | 20.00% | 4 | 0.88% |
| Oyster | Aug-18 | 87 | 7 | 8.05% | 0 | 0.00% | 8.05% | 0 | 0.00% |
| Exmore | Sep-18 | 740 | 233 | 31.49% | 4 | 0.54% | 32.03% | 4 | 0.54% |
| Belle Haven | Sep-18 | 478 | 72 | 15.06% | 8 | 1.67% | 16.74% | 1 | 0.21% |
| Cheriton | Oct-18 | 236 | 44 | 18.64% | 0 | 0.00% | 18.64% | 0 | 0.00% |
| Wachapreague | Oct-18 | 300 | 35 | 11.67% | 0 | 0.00% | 11.67% | 1 | 0.33% |
| Onancock | Nov-18 | 1907 | 340 | 17.83% | 5 | 0.26% | 18.09% | 5 | 0.26% |
| Cape Charles | Nov-18 | 910 | 203 | 22.31% | 6 | 0.66% | 22.97% | 5 | 0.55% |
| Parksley | Jan-19 | 896 | 151 | 16.85% | 5 | 0.56% | 17.41% | 2 | 0.22% |
| Nocks Landing | Jan-19 | 88 | 5 | 5.68% | 0 | 0.00% | 5.68% | 0 | 0.00% |
| Chincoteague | Jan-19 | 1345 | 7 | 0.52% | 1 | 0.07% | 0.59% | 1 | 0.07% |
| Saxis | May-20 | 248 | 39 | 15.73% | 1 | 0.40% | 16.13% | 0 | 0.00% |
| Tangier | May-21 | 342 | 91 | 26.61% | 6 | 1.75% | 28.36% | 1 | 0.29% |

Totals: 12,703 2,218 103 38





WISP EVPL Program

- Fifty-eight (58) sites in service, one (1) new sites on-order and underway (one has been on hold for quite some time).

Microcommunity Program

- There now 36 microcommunities in-service and operational, two (2) being constructed currently that are 33-homes to come online.

ACP Program

- As of April, we have 80 residents enrolled in the EBB program and have claimed and saved \$2,196 for those 80 people.

VATI FY22 Status

- As of this report, all filings required by DHCD have been completed and were submitted on or before the state deadline. We are awaiting DHCD's review of all filings and either any requested revisions or a release of the contract.
- The easements for the construction in Captain's Cove have been executed and we are ready to break ground upon contract execution between the ESVBA and DHCD, expecting to happen by the end of May.
- All of the preliminary materials list for the construction has been out to bid, evaluated, and the intent to award has been placed and the vendors.

Eastern Shore of Virginia Broadband Authority
Board Income Statement
Mar 2022, Apr 2022

| Financial Row | Mar 2022 Amount | Apr 2022 Amount | Total Amount |
|---|--------------------|--------------------|--------------------|
| Income | | | |
| 40000 - Broadband Income | | | |
| Education Income | \$27,670 | \$27,670 | \$55,340 |
| Enterprise Income | \$44,262 | \$44,102 | \$88,364 |
| Government Income | \$9,532 | \$9,532 | \$19,065 |
| Medical Income | \$10,064 | \$10,064 | \$20,128 |
| Other Income | \$422,206 | \$0 | \$422,206 |
| Residential Income | \$167,465 | \$177,563 | \$345,028 |
| Wholesale Income | \$178,623 | \$184,460 | \$363,084 |
| Total - 40000 - Broadband Income | \$859,823 | \$453,392 | \$1,313,215 |
| 40900 - Installation Income | | | |
| Enterprise Income | \$750 | \$250 | \$1,000 |
| Installation Income | \$0 | -\$10,675 | -\$10,675 |
| Residential Income | \$20,020 | \$28,248 | \$48,268 |
| Wholesale Income | \$1,551 | \$1,551 | \$3,102 |
| Total - 40900 - Installation Income | \$22,321 | \$19,374 | \$41,695 |
| 46400 - Other Income | | | |
| Other Income | \$0 | -\$80 | -\$80 |
| Wholesale Income | \$150 | \$150 | \$300 |
| Total - 46400 - Other Income | \$150 | \$70 | \$220 |
| 46460 - Interest Income | | | |
| Other Income | \$115 | \$84 | \$199 |
| Total - 46460 - Interest Income | \$115 | \$84 | \$199 |
| Total - Income | \$882,408 | \$472,920 | \$1,355,328 |
| Cost Of Sales | | | |
| 50100 - Cost of Goods Sold:Internet Access | \$6,678 | \$6,678 | \$13,357 |
| 50300 - Cost of Goods Sold:3rd Party Dark service | \$27,398 | \$27,398 | \$54,796 |
| 50400 - Cost of Goods Sold:Utility Locates | \$192 | \$206 | \$398 |
| 50500 - Cost of Goods Sold:Pole Attachments | \$0 | \$1,184 | \$1,184 |
| 50600 - Cost of Goods Sold:3rd Party Transport | \$9,849 | \$69 | \$9,918 |
| 51010 - Cost of Goods Sold:Collocation/Hut Expense:Utilities | \$2,927 | \$2,944 | \$5,870 |
| 51020 - Cost of Goods Sold:Collocation/Hut Expense:Phone, Communic. | \$142 | \$142 | \$283 |
| 51030 - Cost of Goods Sold:Collocation/Hut Expense:Fuel | \$68 | \$0 | \$68 |
| 51090 - Cost of Goods Sold:Collocation/Hut Expense:Maintenance | \$231 | \$6,300 | \$6,531 |
| Total - Cost Of Sales | \$47,485 | \$44,921 | \$92,406 |
| Gross Profit | \$834,923 | \$427,999 | \$1,262,922 |
| Expense | | | |
| 61200 - Payroll Expenses:Wages & Benefits | \$112,293 | \$0 | \$112,293 |
| 62300 - Sales and Marketing:Marketing Materials | \$1,000 | \$92 | \$1,093 |
| 63100 - Travel and Meetings:Conference, Convention, Meeting | \$0 | \$400 | \$400 |
| 63200 - Travel and Meetings:Mileage/Tolls Reimbursement | \$551 | \$43 | \$594 |
| 63400 - Travel and Meetings:Meals & Entertainment | \$58 | \$60 | \$118 |
| 64100 - Advertising Expenses | \$10 | \$315 | \$325 |
| 64200 - Bank Charges & Fees | \$2,644 | \$2,185 | \$4,828 |
| 64300 - Dues, Subscriptions, Books | \$0 | \$132 | \$132 |
| 64320 - Dumpster/Trash Removal | \$197 | \$220 | \$416 |
| 64370 - Janitorial Services | \$680 | \$695 | \$1,375 |
| 64400 - Office Supplies & Expense | \$2,048 | \$373 | \$2,421 |
| 64420 - Printing and Copying | \$526 | \$75 | \$601 |
| 64450 - Postage, Mailing & Shipping | \$277 | \$247 | \$524 |
| 64460 - Office IT Hardware/Software | \$3,946 | \$695 | \$4,641 |
| 64470 - Office Maintenance & Repair | \$945 | \$600 | \$1,545 |
| 64480 - Rent or Lease Payments | \$2,550 | \$2,550 | \$5,100 |
| 64490 - Office Utilities | \$326 | \$0 | \$326 |
| 64630 - Staff Development | \$708 | \$39 | \$747 |

| | | | |
|---|------------------|------------------|--------------------|
| 64700 - Taxes | \$753 | \$0 | \$753 |
| 64750 - Telephone & Telecommunications | \$564 | \$570 | \$1,134 |
| 64760 - Mobile Phones | \$360 | \$320 | \$680 |
| 65200 - Professional Services:Legal Fees | \$5,633 | \$4,175 | \$9,807 |
| 67000 - Vehicle & Equipment Expenses | -\$7,515 | \$0 | -\$7,515 |
| 67300 - Vehicle Fuel | \$2,920 | \$4,357 | \$7,277 |
| 67400 - Vehicle & Equip Maintenance & Repair Expenses | \$4,043 | \$1,698 | \$5,741 |
| 68100 - Physical Plant Maintenance/Agreements/Warranties/Software | \$2,819 | \$65,928 | \$68,747 |
| 68200 - Physical Plant Permits & Fees | \$710 | \$640 | \$1,350 |
| 68330 - Physical Plant/Inventory Disposed Items | \$72 | \$396 | \$468 |
| 68400 - Physical Plant Tools & Safety Equipment | \$366 | \$0 | \$366 |
| 68500 - Physical Plant Shipping Freight & Delivery | \$4,029 | \$170 | \$4,199 |
| Total - Expense | \$143,511 | \$86,974 | \$230,485 |
| Net Income | \$691,412 | \$341,025 | \$1,032,437 |

Eastern Shore of Virginia Broadband Authority
Board Balance Sheet
End of Apr 2022

| Financial Row | Amount |
|--|------------------------|
| ASSETS | |
| Current Assets | |
| Bank | |
| 10010 - General Operating Account - BB&T (0720) | \$2,824,436.71 |
| 10020 - Capital Expansion Account - BB&T (0747) | \$630,053.88 |
| 10030 - Equipment Accrual - BB&T (0739) | \$715,488.38 |
| 10160 - Annual Accrual - BB&T (7622) Savings Acct | \$1,234,421.84 |
| 10165 - Expansion Proceeds BB&T Savings Acct (0070) | \$100,597.84 |
| 10180 - Merchant Services - BB&T (8016) | \$113,487.50 |
| 10990 - Petty Cash | \$150.00 |
| Total Bank | \$5,618,636.15 |
| Accounts Receivable | |
| 11000 - Accounts Receivable | \$108,614.96 |
| 11010 - Reserve for Bad Debt | (\$81,035.34) |
| Total Accounts Receivable | \$27,579.62 |
| Other Current Asset | |
| 11900 - Undeposited Funds | \$5,273.15 |
| 13100 - Inventory Asset | \$1,672,661.83 |
| 15000 - Plant in Service | \$17,328.56 |
| Total Other Current Asset | \$1,695,263.54 |
| Total Current Assets | \$7,341,479.31 |
| Fixed Assets | |
| 14100 - General Furniture Fixtures | \$42,727.66 |
| 14199 - Accumulated Depreciation - Furniture | (\$22,898.65) |
| 14200 - Equipment:Computers, Printers, Equip, Software | \$90,472.05 |
| 14299 - Accumulated Depreciation - Equipment | (\$109,458.40) |
| 15010 - Physical Plant Structure | \$21,366,504.49 |
| 15020 - Physical Plant Electronics | \$4,287,547.59 |
| 15040 - Physical Plant Towers | \$178,840.58 |
| 15050 - Physical Plant Mobile - (Mobile Carriers & Generators) | \$101,446.32 |
| 15060 - Physical Plant Huts | \$187,497.91 |
| 15070 - Physical Plant Tools & Equipment | \$31,008.62 |
| 15098 - Accumulated Depreciation - Plant In Service | (\$7,938,015.15) |
| 15100 - Physical Plant Network & Software | \$22,281.96 |
| 15199 - Accumulated Depreciation - Software | (\$64,303.09) |
| 15200 - Vehicles & Equipment | \$798,490.67 |
| 15299 - Accumulated Depreciation - Vehicles | (\$358,428.36) |
| 16000 - Railway Easement | \$250,000.00 |
| 17000 - Land | \$10,000.00 |
| Total Fixed Assets | \$18,873,714.20 |
| Total ASSETS | \$26,215,193.51 |
| Liabilities & Equity | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 - Accounts Payable | \$30,202.98 |
| 20050 - Accrued Interest Payable | \$270.00 |
| Total Accounts Payable | \$30,472.98 |
| Credit Card | |
| 21010 - BB&T Visa 5701 LH | \$1,675.71 |
| 21030 - BB&T Visa 5340 RB | \$4,080.10 |
| 21040 - BB&T Visa 7215 TE | \$159.44 |
| 21060 - BB&T Visa 5625 KB | \$255.70 |
| Total Credit Card | \$6,170.95 |
| Other Current Liability | |

| | |
|---|------------------------|
| 20010 - Accrued Purchases | \$26,101.36 |
| 24010 - Direct Deposit Liabilities:USAC Reimbursements Deposits | \$19,420.79 |
| 24050 - USAC Prepaid | (\$39,072.30) |
| 25000 - ESVBA Installation Assistance Program | (\$14,915.00) |
| 26100 - USAC Tax Payable | \$53,280.52 |
| 26200 - Va Communications Tax | \$1,227.99 |
| Total Other Current Liability | \$46,043.36 |
| Total Current Liabilities | \$82,687.29 |
| Long Term Liabilities | |
| 27500 - BB&T Loan for Expansion | \$3,725,000.00 |
| 27600 - Grant Match Funds | \$2,227,760.00 |
| 28000 - Deferred Income | \$182,832.24 |
| Total Long Term Liabilities | \$6,135,592.24 |
| Equity | |
| Retained Earnings | \$16,446,143.19 |
| Net Income | \$3,550,770.79 |
| Total Equity | \$19,996,913.98 |
| Total Liabilities & Equity | \$26,215,193.51 |

Eastern Shore of Virginia Broadband Authority
Board Cash Flow Statement
Mar 2022, Apr 2022

| Financial Row | Mar 2022 Amount | Apr 2022 Amount |
|--|-----------------------|-----------------------|
| Operating Activities | | |
| Net Income | \$691,411.75 | \$341,025.06 |
| Adjustments to Net Income | | |
| Accounts Receivable | (\$386,188.41) | \$436,219.61 |
| Inventory Asset | (\$34,888.19) | (\$9,564.61) |
| Accounts Payable | (\$244,183.62) | (\$198,313.74) |
| Sales Tax Payable | \$4,137.02 | \$3,940.17 |
| Other Current Liabilities | (\$69,629.51) | \$68,285.94 |
| Total Adjustments to Net Income | (\$730,752.71) | \$300,567.37 |
| Total Operating Activities | (\$39,340.96) | \$641,592.43 |
| Investing Activities | | |
| Fixed Asset | (\$324,425.00) | (\$211,065.74) |
| Total Investing Activities | (\$324,425.00) | (\$211,065.74) |
| Financing Activities | | |
| Long Term Liabilities | (\$1,050.76) | \$2,226,709.24 |
| Total Financing Activities | (\$1,050.76) | \$2,226,709.24 |
| Net Change in Cash for Period | (\$364,816.72) | \$2,657,235.93 |
| Cash at Beginning of Period | \$3,331,490.09 | \$2,966,673.37 |
| Cash at End of Period | \$2,966,673.37 | \$5,623,909.30 |

ESVBA Sites

PRODUCT
IBR900

NCOS VERSION
7.22.40

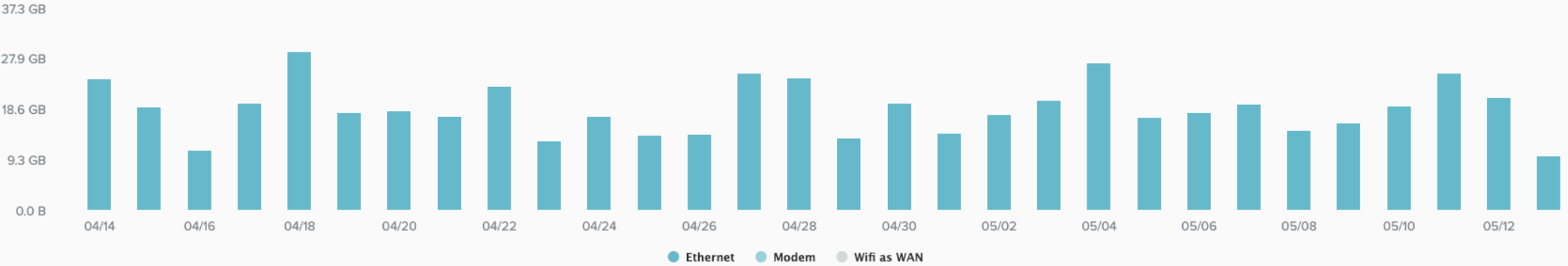
ACCOUNT
Accomack County School Dist, VA

- Home
- GeoView
- Routers
- Data Usage
- Health
- Settings

Summary

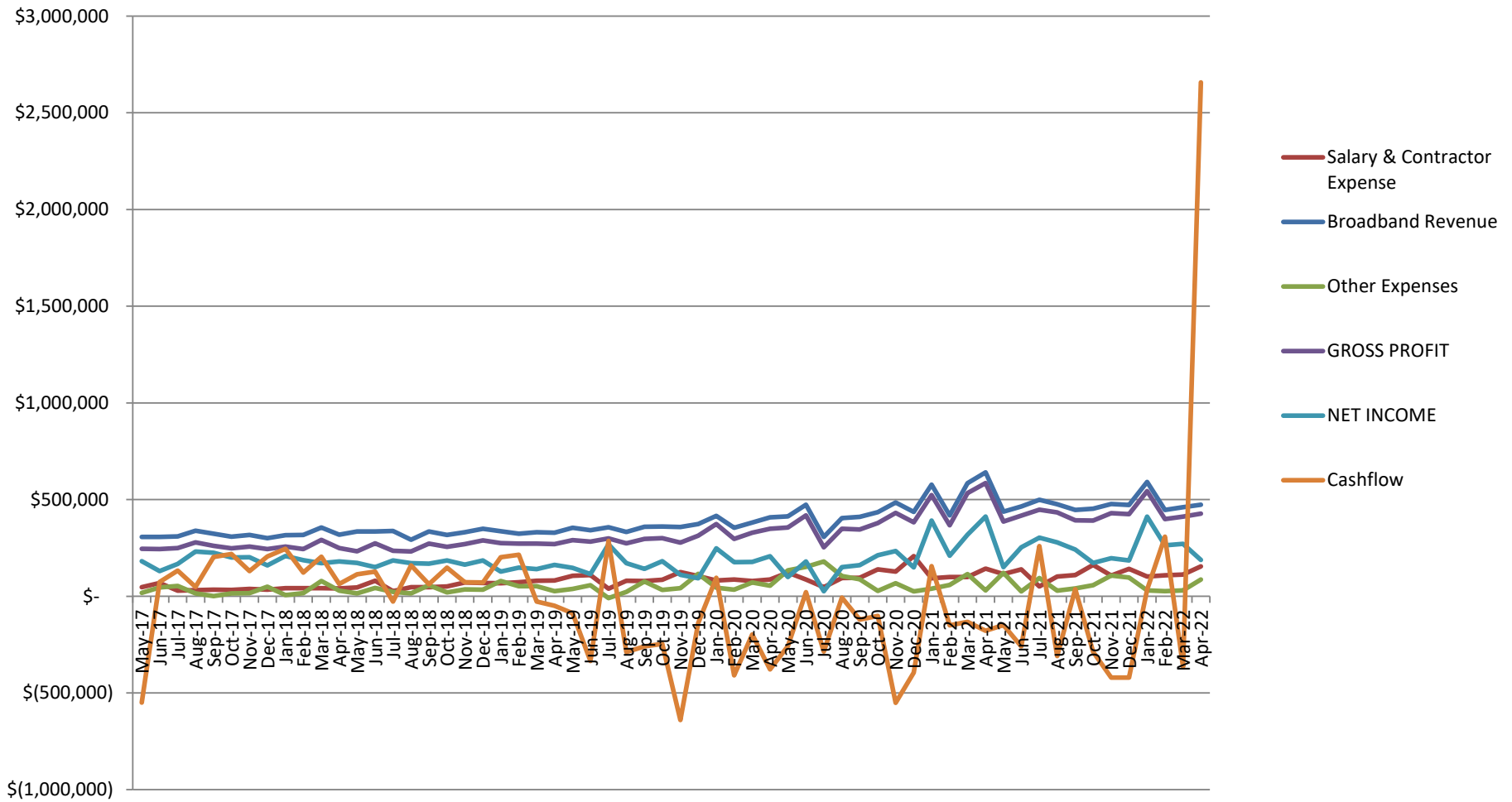
WAN

Client



| Name | Total Data ↓ | Ethernet | Wifi as WAN | Modems |
|-------------------------------------|--------------|----------|-------------|--------|
| ESVBA McComas | 329.4 GB | 329.4 GB | 0.0 B | 0.0 B |
| ESVBA Johnson CT | 148.3 GB | 148.3 GB | 0.0 B | 0.0 B |
| ESVBA Dreamland 2 | 37.8 GB | 37.8 GB | 0.0 B | 0.0 B |
| ESVBA Petit Trailer Park Mappsville | 23.2 GB | 23.2 GB | 0.0 B | 0.0 B |
| ESVBA Seaside Trailer Park | 15.6 GB | 15.6 GB | 0.0 B | 0.0 B |
| ESVBA AS West Rd | 6.5 GB | 6.5 GB | 0.0 B | 0.0 B |

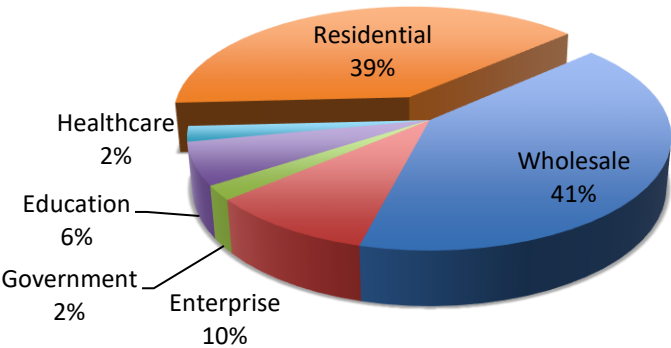
May '17 to Apr '22 Financials



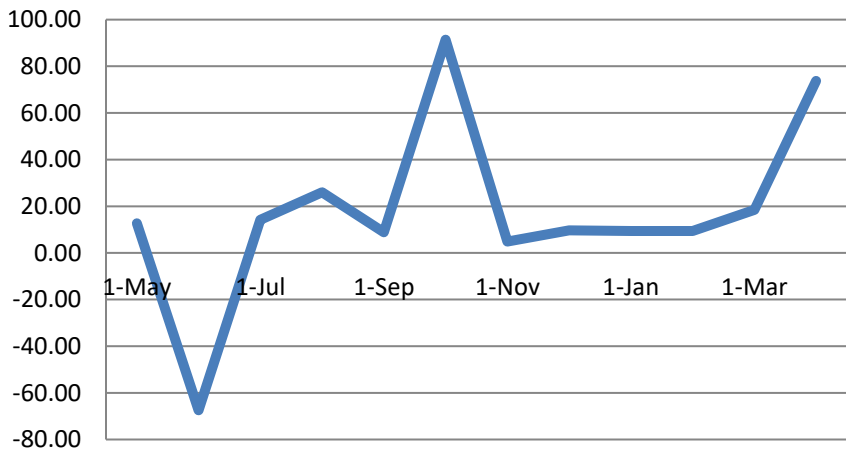
ESVBA Dashboard - May 2022

Financial Data

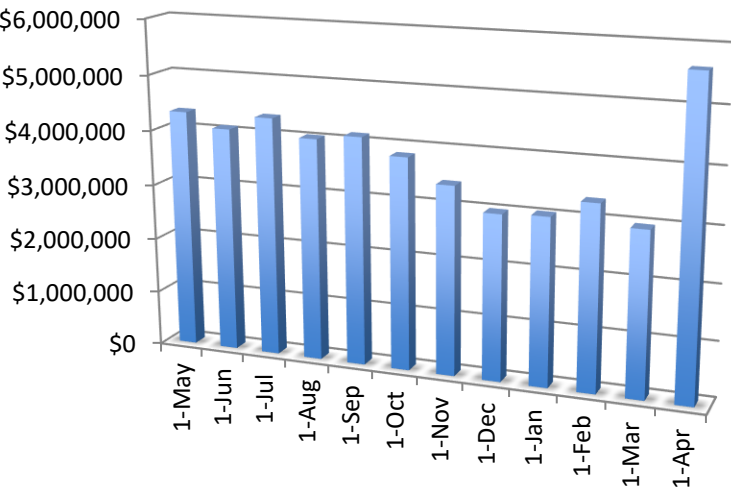
Revenue by Sector as of April 2022



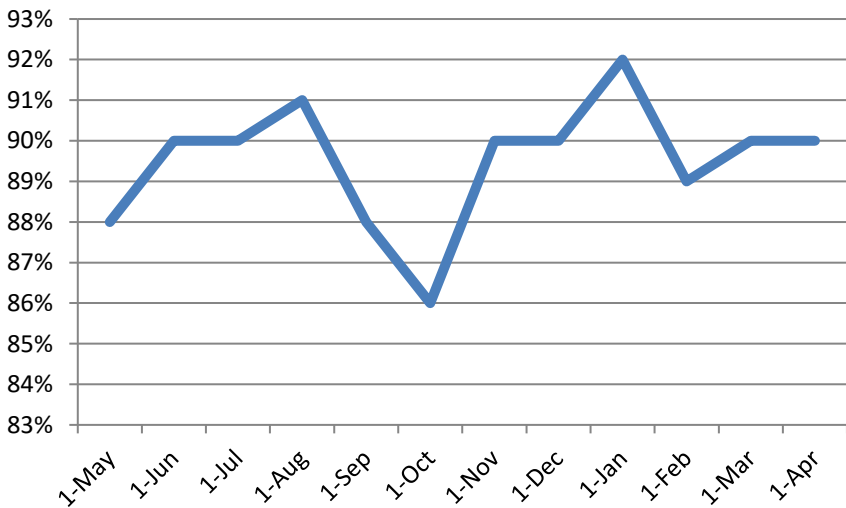
Quick Ratio



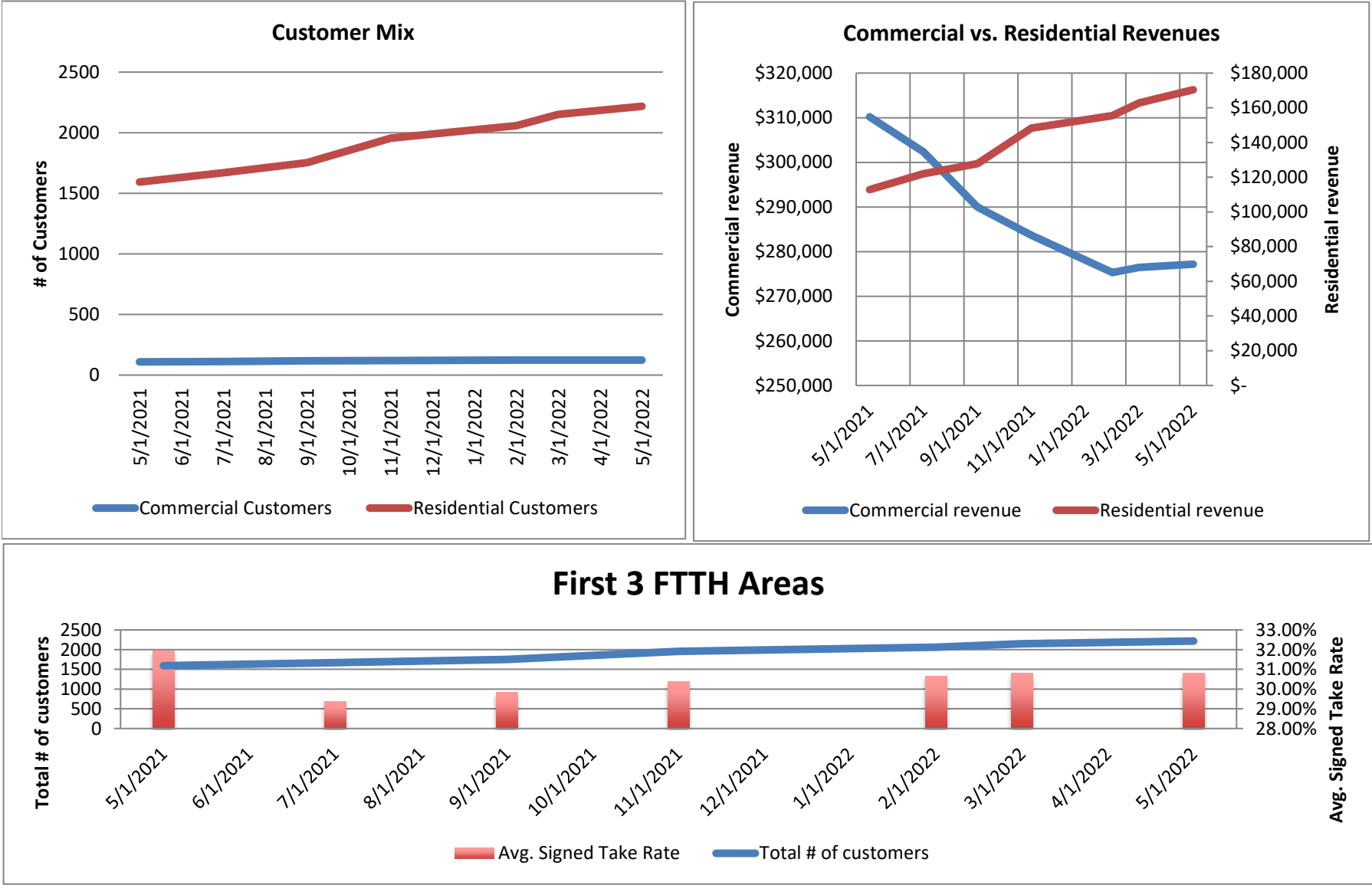
Cash & Cash Equivalents



GROSS PROFIT MARGIN



ESVBA Dashboard - May 2022



ESVBA cost estimate for migrant worker farm camps

| Location | Construction/Fiber | Access Point/ Pole/ Battery/ Solar Powered | Access Point/ Pole/ Battery/ Power by Farm |
|--------------------------|--------------------|---|---|
| Ames Farm Lipman Kuzzens | \$ 10,713 | \$ 4,500 | \$ 3,130 |
| Bayford Jones LK | \$ 1,060 | \$ 4,500 | \$ 3,130 |
| Dublin Farms | \$ 913 | \$ 4,500 | \$ 3,130 |
| Finney-Mason (Del Monte) | \$ 6,116 | \$ 4,500 | \$ 3,130 |
| Health Kellam | \$ 7,119 | \$ 4,500 | \$ 3,130 |
| KMC Lipman Kuzzens | \$ 5,267 | \$ 4,500 | \$ 3,130 |
| Mappsville LK | \$ 5,907 | \$ 4,500 | \$ 3,130 |
| Packinghouse Painger | \$ 6,847 | \$ 4,500 | \$ 3,130 |
| PC Kellam | \$ 1,481 | \$ 4,500 | \$ 3,130 |
| Yaros Farm | \$ 5,589 | \$ 4,500 | \$ 3,130 |

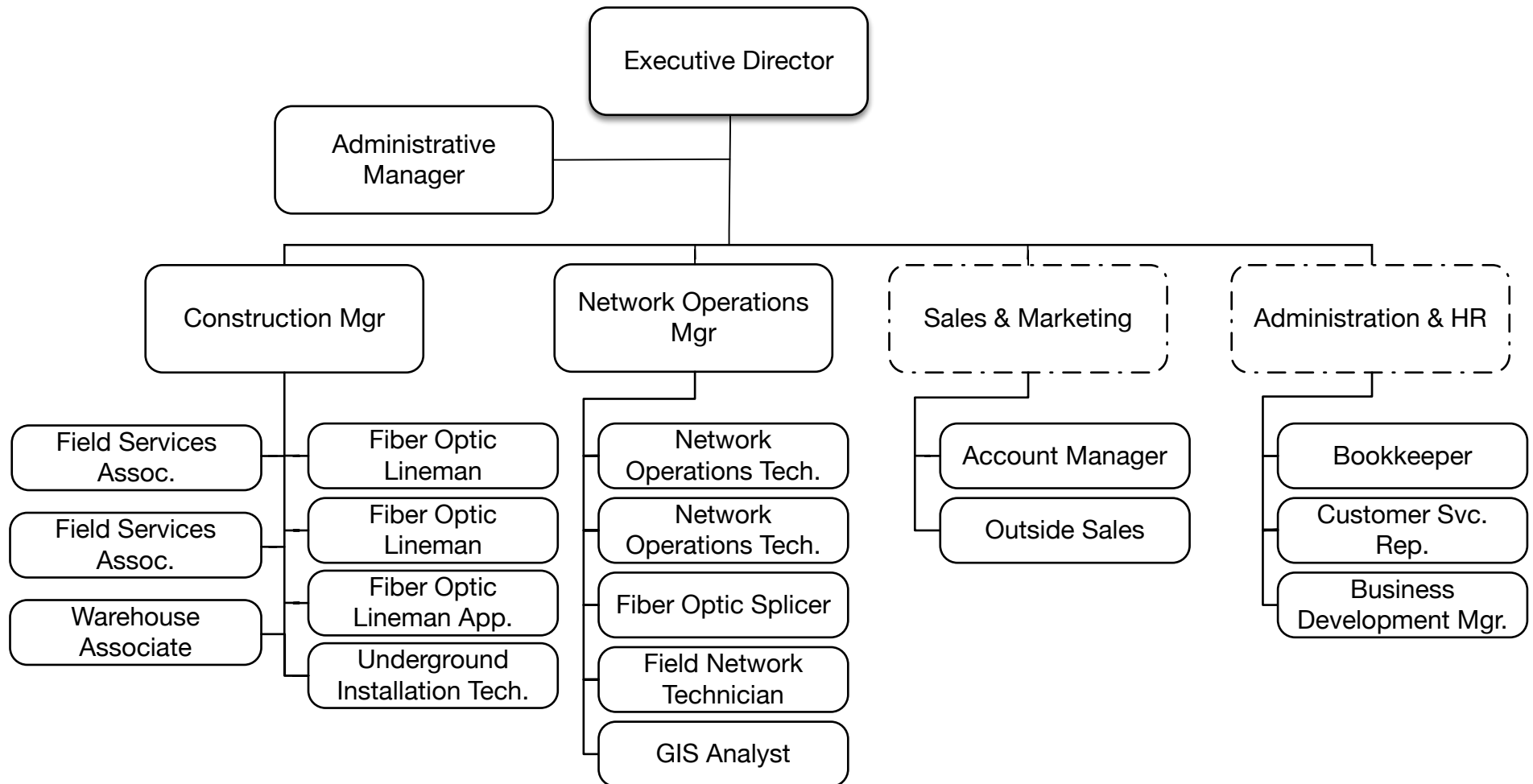
Total Capital Costs for all sites

using solar power \$ 96,012

Total Capital Costs for all sites

using Farm-provided power \$ 82,312

ESVBA Org Chart



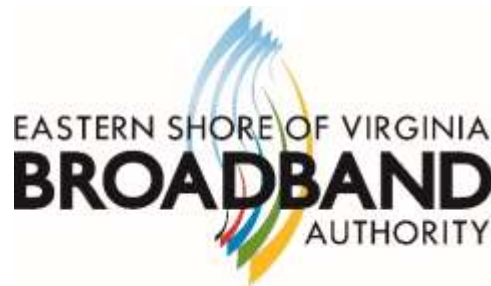
| | | | | | | | | | | | | | | | |
|---------------------------------------|---------------------------|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | | | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | |
| Acct. #'s | Revenues | | | | | | | | | | | | | | |
| | Total Revenue= | | \$ 452,218 | \$ 457,468 | \$ 462,718 | \$ 467,968 | \$ 473,218 | \$ 478,468 | \$ 483,718 | \$ 488,968 | \$ 494,218 | \$ 499,468 | \$ 504,718 | \$ 509,968 | \$ 5,773,116 |
| | | | | | | | | | | | | | | | |
| | Cost of Goods Sold | | | | | | | | | | | | | | |
| | Total Cost of Goods Sold= | | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 81,330 | \$ 975,960 |
| | | | | | | | | | | | | | | | |
| | Gross Margin = | | \$ 370,888 | \$ 376,138 | \$ 381,388 | \$ 386,638 | \$ 391,888 | \$ 397,138 | \$ 402,388 | \$ 407,638 | \$ 412,888 | \$ 418,138 | \$ 423,388 | \$ 428,638 | \$ 4,797,156 |
| | Gross Margin (%) = | | 82% | 82% | 82% | 83% | 83% | 83% | 83% | 83% | 84% | 84% | 84% | 84% | 83% |
| | | | | | | | | | | | | | | | |
| | Wages & Benefits | | | | | | | | | | | | | | |
| Sub-Total Gross Wages of FT Non-Sales | | | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 98,561 | \$ 1,182,737 |
| 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 |
| Sub-Total Gross Wages Sales | | | \$ 5,144 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 9,811 | \$ 113,062 |
| Payroll Expense | | | \$ 148,231 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 154,892 | \$ 1,852,048 |
| 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 | | | \$ 154,189 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 160,851 | \$ 1,923,548 |
| 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 | | | \$ 18,563 | \$ 18,563 | \$ 18,563 | \$ 18,763 | \$ 18,763 | \$ 18,763 | \$ 18,963 | \$ 18,963 | \$ 18,963 | \$ 19,163 | \$ 19,163 | \$ 19,163 | \$ 226,360 |
| Vehicle & Equipment Expenses | | | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 5,360 | \$ 64,320 |
| 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 | | | \$ 74,493 | \$ 76,193 | \$ 139,193 | \$ 76,393 | \$ 76,393 | \$ 76,393 | \$ 76,593 | \$ 76,593 | \$ 76,593 | \$ 76,793 | \$ 76,793 | \$ 76,793 | \$ 979,220 |
| TOTAL SG&A EXPENSE | | | \$ 228,682 | \$ 237,044 | \$ 300,044 | \$ 237,244 | \$ 237,244 | \$ 237,244 | \$ 237,444 | \$ 237,444 | \$ 237,444 | \$ 237,644 | \$ 237,644 | \$ 237,644 | \$ 2,902,768 |
| OPERATING CASH FLOW | | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ 154,644 | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 185,744 | \$ 190,994 | \$ 1,894,388 |
| EBITDA | | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ 154,644 | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 185,744 | \$ 190,994 | \$ 1,894,388 |
| EBITDA (%) | | | 31% | 30% | 18% | 32% | 33% | 33% | 34% | 35% | 35% | 36% | 37% | 37% | 33% |

| | | | | | | | | | | | | | | | |
|-------|--|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | | | | | | | | | | |
| | Interest Payments | | | | | | \$ 82,695 | | | | | | \$ 72,394 | | \$ 155,089 |
| | Principal Payments | (BB&T Bond) | | | | | \$ 464,000 | | | | | | | | \$ 464,000 |
| | | | | | | | | | | | | | | | |
| | Operating Income before Depreciation | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ (392,051) | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 113,350 | \$ 190,994 | \$ 1,275,299 |
| | | | | | | | | | | | | | | | |
| | Depreciation Expense | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | | | | | | | | |
| | Pretax Income | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ (392,051) | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 113,350 | \$ 190,994 | \$ 1,275,299 |
| | | | | | | | | | | | | | | | |
| | Income Tax (0%) | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | | | | | | | | |
| | After Tax Income/(Loss) | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ (392,051) | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 113,350 | \$ 190,994 | \$ 1,275,299 |
| | | | | | | | | | | | | | | | |
| | OPERATING CASH FLOW less Financial Acivities | | \$ 142,206 | \$ 139,094 | \$ 81,344 | \$ 149,394 | \$ (392,051) | \$ 159,894 | \$ 164,944 | \$ 170,194 | \$ 175,444 | \$ 180,494 | \$ 113,350 | \$ 190,994 | \$ 1,275,299 |
| | | | | | | | | | | | | | | | |
| 10030 | Equipment Replacement Accrual | (Equipment Repl., Additions, 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 5-12-22 = \$715,488 | | | | | | | | | | | | | | |
| 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 5-12-22 = \$630,053 | | | | | | | | | | | | | | |
| | Quinquennial Pole Survey Accrual | (ANEC 5-year pole survey) | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 1,833 | \$ 22,000 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | Capital Expenditures | Network Expansion, Equipment | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 99,375 | \$ 1,192,500 |
| | | | | | | | | | | | | | | | |
| | INCREASE (DECREASE) IN CASH | Operating less Finance & CAPEX | \$ 30,997 | \$ 27,886 | \$ (29,864) | \$ 38,186 | \$ (503,259) | \$ 48,686 | \$ 53,736 | \$ 58,986 | \$ 64,236 | \$ 69,286 | \$ 2,142 | \$ 79,786 | \$ (59,201) |
| | Projected Beginning Cash Balance * | | \$ 3,412,938 | \$ 3,443,935 | \$ 3,471,821 | \$ 3,441,956 | \$ 3,480,142 | \$ 2,976,882 | \$ 3,025,568 | \$ 3,079,303 | \$ 3,138,289 | \$ 3,202,524 | \$ 3,271,810 | \$ 3,273,951 | \$ 3,412,938 |
| | Projected Ending Cash Balance | | \$ 3,443,935 | \$ 3,471,821 | \$ 3,441,956 | \$ 3,480,142 | \$ 2,976,882 | \$ 3,025,568 | \$ 3,079,303 | \$ 3,138,289 | \$ 3,202,524 | \$ 3,271,810 | \$ 3,273,951 | \$ 3,353,737 | \$ 3,353,737 |
| | | | | | | | | | | | | | | | |

* Cash balance excludes \$2.23M VATI match funds from the Counties. Starting cash balance in July '22 is an approximation from the estimated cash balance at the end of June '22

| Description | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | |
|--|--------------|--------------|--------------|------------|------------|--------------|--------------|
| Continued deploymeny of FTTH Phase 1 | \$ 137,500 | \$ 136,426 | \$ 79,000 | \$ 74,000 | \$ 70,000 | \$ 60,000 | \$ 556,926 |
| Deployment of subs from FY2018 Expansion (Phase 2) | \$ 750,000 | \$ 600,000 | \$ 490,000 | \$ 460,000 | \$ 430,000 | \$ 430,000 | \$ 3,160,000 |
| Deployment of subs from VATI FY22 (Phase 3) | \$ 100,000 | \$ 250,000 | \$ 300,000 | \$ 300,000 | \$ 150,000 | \$ 70,000 | \$ 1,170,000 |
| Deployment of Phase 4 subs | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | \$ 150,000 | \$ 200,000 |
| Microcommunity Funding | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 540,000 |
| Network Extensions (Savage Neck, Seaview,Chesconessex) | \$ - | \$ - | \$ 500,000 | \$ - | \$ - | \$ 500,000 | \$ 1,000,000 |
| Towers | \$ - | | \$ 200,000 | \$ - | \$ - | \$ - | \$ 200,000 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | \$ 1,077,500 | \$ 1,076,426 | \$ 1,659,000 | \$ 924,000 | \$ 790,000 | \$ 1,300,000 | \$ 6,826,926 |

| Other Equipment/Systems | | | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| Air Conditioner Replacements | \$ 15,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,000 |
| Virtual Server Upgrades | \$ 20,000 | \$ 50,000 | \$ - | \$ 50,000 | \$ - | \$ - | \$ 120,000 |
| Cisco 3560/2960/1200 Replacements | \$ 20,000 | \$ 10,000 | \$ 10,000 | \$ - | \$ - | \$ - | \$ 40,000 |
| Traffic Safety Equipment | \$ - | \$ 40,000 | \$ - | \$ 40,000 | \$ - | \$ - | \$ 80,000 |
| Network Security/Anti Intrusion | \$ - | \$ 40,000 | \$ - | \$ 100,000 | \$ - | \$ - | \$ 140,000 |
| OTDR | \$ - | \$ - | \$ 10,000 | \$ - | \$ - | \$ - | \$ 10,000 |
| NTest FiberWatch | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |
| Battery Replacement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Vehicle Replacement/Addition | \$ - | \$ 130,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 290,000 |
| Additional Hub Site | \$ - | \$ 60,000 | \$ 60,000 | \$ - | \$ - | \$ - | \$ 120,000 |
| Compressor | \$ 20,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,000 |
| Core Router Upgrades | \$ - | \$ 200,000 | \$ - | \$ 100,000 | \$ - | \$ - | \$ 300,000 |
| Office furniture | \$ 40,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 40,000 |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | \$ 115,000 | \$ 580,000 | \$ 120,000 | \$ 330,000 | \$ 40,000 | \$ 40,000 | \$ 1,225,000 |
| | | | | | | | |
| | \$ 1,192,500 | \$ 1,656,426 | \$ 1,779,000 | \$ 1,254,000 | \$ 830,000 | \$ 1,340,000 | \$ 8,051,926 |
| | | | | | | | |



VATI FY23

Although the ESVBA staff is in the midst of working on the start of the FY22 VATI buildout, we are looking ahead and cannot overlook the new VATI FY23 opportunity that is presented. The new guidelines leverage critical opportunities that the staff believe are worth the effort of pursuing. Critical items to recognize:

- The VATI FY23 will not only use what the Commonwealth is able to fund from state funds but will also use funding from the Infrastructure Investments and Job Act (IIJA) which is a substantial source of funding and would allow the ESVBA potentially to fund the remainder of the shore that does not have broadband.
- This grant allows broadband authorities to again apply directly for funding without a private-sector partner and does have the 10% of total available “state general funds in FY23.” This is an improvement because no such cap exists on funding from the federal funds sourced from the IIJA.
- Projects are eligible if an area has 20% or less serviceable units having access to 100/20Mbps (adopting the current federal guidelines for broadband).
- This year, the state also stated that *“Federally and state funded areas with existing agreements to build service to, or are currently served with, access to internet at speeds less than 100/20 mbps are eligible for funding under the VATI program.”* This means the ESVBA can apply for areas designated as covered under the USDA protected areas as long as they do not currently have access to 100/20Mbps of service.

The current VATI FY23 timeline:

- Final FY22 guidelines released 5/20/22
- Applications will be open 6/2/22
- Notice of intent to apply is 7/7/22
- Applications due 8/25/22

The staff would request authority to start working on a FY23 application in conjunction with the counties. We would need to consider the funding of such a project as there is still a requisite 20% match to the project and pending a detail review of the remaining unserved areas, the ESVBA would need approximately \$14M to complete the build of the shore which would have a \$2.8M match requirement.

VATI draft FY23 guidelines at:

<https://www.dhcd.virginia.gov/sites/default/files/Docx/vati/public-input-draft-2023-vati-guidelines-and-criteria.pdf>.