

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

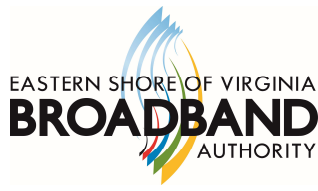
May 23th, 2024

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 23rd, 2024
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. VATI FY22 Report
 - b. Cyber Assessment status
 - c. BEAD status
7. Treasurers Report
8. Board Comments
9. Closed Session
 - a. Contracted Revenue (Section 2.2-3711 Paragraph 33) ⁽¹⁾
 - b. Personnel Discussion (Section 2.2-3711 Paragraph 1) ⁽²⁾
 - c. New Business Opportunities (Section 2.2-3711 Paragraph 33) ⁽¹⁾
10. Adjournment

Next Board Regular Meeting: July 25th, 2024

1. 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.

2. 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.

MINUTES

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

March 28, 2024

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

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

Members of the public attending were: None

Mr. Reiter called the meeting to order at 2:00 pm.

AGENDA ADOPTION

Mr. Kolakowski moved to approve the agenda. Mr. Mason seconded. After discussion, the motion was amended to add item 9C-Business Opportunity to closed session. Motion passed unopposed.

PUBLIC COMMENT

None

REVIEW OF MINUTES

Mr. Pettit moved to approve the Regular Board Meeting Minutes from January. Ms. Mason seconded. Ms. Meil abstained. After discussion, the Minutes were amended to reword the Board Comment: "Mr. Reiter requested that the Vice Chairman form a committee with county representatives to discuss Broadband's next steps" to "Mr. Reiter requested that the Vice Chairman form a committee with county representatives to discuss Non deployment BEAD funds and how those will be used." Motion passed unopposed.

SYSTEM STATUS & BUILD REPORT

1. WiFi Hotspots- There are currently 27 of the 28 hotspots in service. Ebenezer Church is still offline.
2. Residential Broadband- Mr. Bridgham reported that the Authority has 3877 active residential customers. He stated that there are 84 customers in service in Harborton, 33 in Bobtown, 205 in Church Neck, 67 in Sanford, 47 on Cheapside, 4 on Cobbs Station, 105 in Accomac, 12 in Townsend, 652 in Greenbackville, 81 in Atlantic, 79 in Wattsville/Horntown, 141 in Oak Hall, 115 in Hallwood, 88 in Painter/Quinby, 116 in Eastville, 161 in Nassawadox, 8 in Oyster, 353 in Exmore, 125 in Belle Haven, 42 in Cheriton, 50 in Wachapreague, 490 in Onancock, 408 in Cape Charles, 192 in Parksley, 4 in Nocks Landing, 44 in Saxis, 35 on Chincoteague, and 137 on Tangier.
3. WISP EVPL Program- Mr. Bridgham informed the BOD that there are still 59 sites are in service.
4. Microcommunity Program- There are 42 communities that are in service and 2 new communities that are interested.
5. USDA Bailey Neck & Mt Nebo CDF- The ESVBA submitted all requisite documents and filings as of 9/13/23 and ESVBA met with USDA to review documents and confirm final paperwork. Awaiting contract.
6. USDA Custis Neck & Locustville CDF- The ESVBA was awarded \$286K to help provide service to Custis Neck and Locustville.
Mr. Reiter asked about the non-deployment BEAD funds.
Mr. Bridgham explained that they are taking 7 areas in VA that have not been served and ESVBA does not qualify.
7. Assistance Programs- Mr. Bridgham presented a report showing details for all of the assistance programs. The ACP had 162 subscribers in the month of March. Mr. Bridgham explained that the ACP program will be ending after May but customers are able to downgrade their service or cancel their contracts.

OLD BUSINESS

- a. VATI FY22 Report – Mr. Bridgham provided a report for the board on the VATI update showing the progress in each area. The state agreed to extend the deadline for special construction for another year.

TREASURER'S REPORT

Mr. Mason stated that the state still has over \$2M between retainage and the next grant reimbursement.

BOARD COMMENTS

Mr. Mason asked for an update on the rate reduction.

Mr. Bridgham replied that out of the 4 renewals, 2 customers have taken the rate reduction.

Mr. Pettit asked that with the billboards, if the Authority is going after an open market or certain areas.

Mr. Bridgham stated that now that there is more coverage, they will continue to raise awareness of broadband.

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

After closed session, the Chair reconvened the meeting. Motion was made by Mr. Kolakowski, seconded by Mr. Pettit 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. Reiter, Ms. Meil, Mr. Mason, Mr. Pettit, and Mr. Kolakowski, and voted affirmative.

ADJOURNMENT

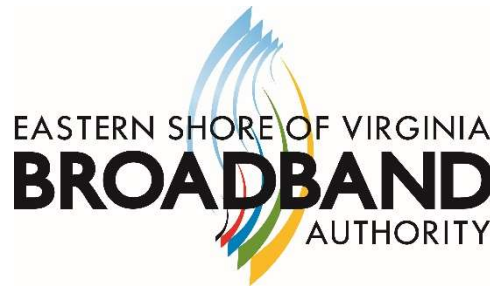
The meeting was adjourned at 3:10pm.

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

Presiding Officer

Copy teste:

Leah Hoopes, Secretary



Status Report May 2024

Status Report Topics

1. WiFi Hotspots
2. Residential Broadband
3. WISP EVPL Program
4. Microcommunity Program
5. USDA Grants
 - a. Bailey Neck & Mt. Nebo CDF
 - b. Custis Neck & Locustville
6. Assistance Programs
7. Marketing Activity

WiFi Hotspots

- 27 of 28 WiFi Hotspots online. Ebenezer Church is still offline.

ESVBA Wifi Hotspot Report May 2024

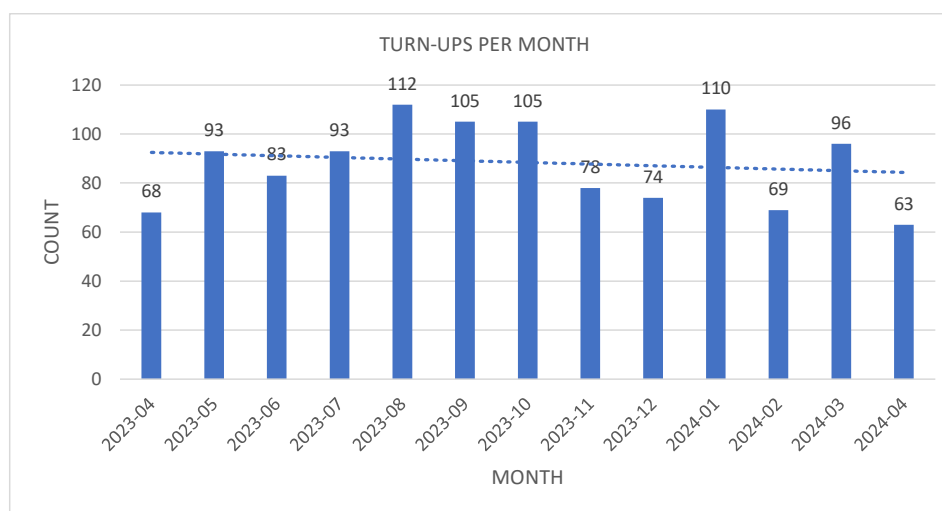
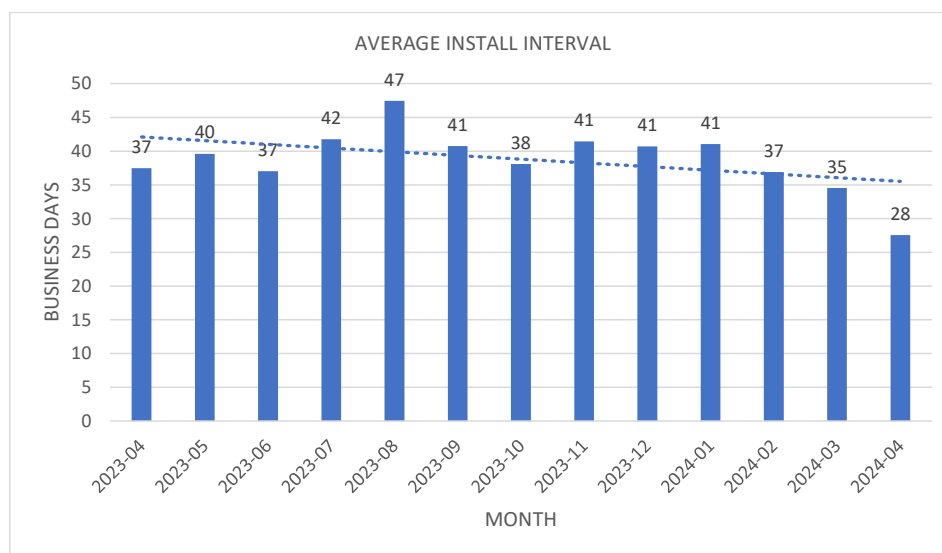


Residential Broadband

Residential Report as of 5/17/2024

Area	Date Opened	# of Servicable Homes (5/15/23)	Number of Active Circuits	% 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	284	84	29.58%	0	0.00%	29.58%	0	0.00%
Bobtown/Pungoteague/Keller	Mar-17	1048	33	3.15%	1	0.10%	3.24%	0	0.00%
Church Neck	Mar-17	352	218	61.93%	6	1.70%	63.64%	0	0.00%
Accomac	Dec-17	736	107	14.54%	1	0.14%	14.67%	0	0.00%
Cheapside	Dec-17	467	48	10.28%	0	0.00%	10.28%	1	0.21%
Cobbs Station	Dec-17	150	4	2.67%	0	0.00%	2.67%	0	0.00%
Sanford	Dec-17	481	68	14.14%	0	0.00%	14.14%	0	0.00%
Greenbackville	Jan-18	891	668	74.97%	29	3.25%	78.23%	2	0.22%
Townsend/Latimer Siding	Jan-18	337	12	3.56%	0	0.00%	3.56%	0	0.00%
Atlantic	Mar-18	475	84	17.68%	4	0.84%	18.53%	0	0.00%
Watts ville-Horntown	Mar-18	523	82	15.68%	1	0.19%	15.87%	0	0.00%
Hallwood	May-18	1183	118	9.97%	3	0.25%	10.23%	1	0.08%
Oak Hall	May-18	454	154	33.92%	4	0.88%	34.80%	0	0.00%
Eastville	Jun-18	618	116	18.77%	3	0.49%	19.26%	0	0.00%
Quinby/Painter	Jun-18	528	88	16.67%	8	1.52%	18.18%	0	0.00%
Nassawadox	Aug-18	710	163	22.96%	7	0.99%	23.94%	0	0.00%
Oyster	Aug-18	84	9	10.71%	0	0.00%	10.71%	0	0.00%
Belle Haven	Sep-18	775	126	16.26%	5	0.65%	16.90%	1	0.13%
Exmore	Sep-18	1816	363	19.99%	9	0.50%	20.48%	2	0.11%
Cheriton	Oct-18	435	41	9.43%	0	0.00%	9.43%	0	0.00%
Wachapreague	Oct-18	305	49	16.07%	1	0.33%	16.39%	0	0.00%
Cape Charles	Nov-18	1232	416	33.77%	8	0.65%	34.42%	2	0.16%
Onancock	Nov-18	2174	502	23.09%	7	0.32%	23.41%	1	0.05%
Chincoteague	Jan-19	5109	42	0.82%	11	0.22%	1.04%	1	0.02%
Nocks Landing	Jan-19	168	4	2.38%	0	0.00%	2.38%	0	0.00%
Parksley	Jan-19	1576	200	12.69%	8	0.51%	13.20%	1	0.06%
Saxis	May-20	249	49	19.68%	3	1.20%	20.88%	1	0.40%
Tangier	May-21	338	139	41.12%	3	0.89%	42.01%	1	0.30%

Totals: 23,498 3,987 122 14



WISP EVPL Program

- Fifty-nine (59) sites in service and operational, no change.

Microcommunity Program

- There now 42 microcommunities in-service and operational, no change.

USDA Bailey Neck & Mt. Nebo CDF

- The USDA changed our engagement team and they have contacted us for the review of the project. We have provided them additional information as well as part 106 reports we provided (in September '23). As of 5/16, they confirmed we are clear of our part 106 review and expect to move to the final review and contract phase.

USDA Custis Neck & Locustville CDF

- The ESVBA received notice that we with the help of Congresswoman Kiggans, the ESVBA was awarded \$286,000 in Congressionally Directed Funding to help provide service for those in the Custis Neck & Locustville communities. The Congresswoman's office request point of contact info from the ESVBA the week of 5/13 to supply USDA which we provided.

Assistance Programs

ESVBA Assistance Programs Report

March-24

ESVBA Installation Assistance Program (IAP)

Active in 2021 and funded with \$189k

Number of subs enrolled:	114
Total funding from program:	\$ 33,790
Average Assistance / Sub:	\$ 296.40

Accomack Installation Assistance Program (IAP)

Active in 2021 and funded with \$50k

Number of subs enrolled:	0
Total funding from program:	\$ -
Average Assistance / Sub:	\$ -

DHCD Line Extension Cust Assistance Program (LECAP)

Active as of: June 2022

Number of subs enrolled:	7
Total funding from program:	\$ 52,406
Average Assistance / Sub:	\$ 7,487

ESVBA VATI FY22 Special Assistance

Active as of: June 2022 and funded with \$2.44M

Number of subs enrolled:	186
Total funding from program:	\$ 754,570
Average Assistance / Sub:	\$ 4,057

FCC ACP Program *

Number of subs enrolled:	162
Previous month's savings	\$ 4,827

Total # of ESVBA Subscribers Assisted:	469
Total Assistive Funding Rendered:	\$ 840,766

* FCC ACP Program has sunset and users are no longer going to receive the benefit

Eastern Shore of Virginia Broadband Authority
Board Balance Sheet
End of Apr 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
10010 - General Operating Account - BB&T (0720)	\$1,161,732.04
10020 - Capital Expansion Account - BB&T (0747)	\$722,544.17
10030 - Equipment Accrual - BB&T (0739)	\$578,959.29
10160 - Annual Accrual - BB&T (7622) Savings Acct	\$374,162.23
10165 - Expansion Proceeds BB&T Savings Acct (0070)	\$64,309.58
10180 - Merchant Services - BB&T (8016)	\$94,563.51
10990 - Petty Cash	\$150.00
Total Bank	\$2,996,420.82
Accounts Receivable	
11000 - Accounts Receivable	\$1,435,587.01
11010 - Reserve for Bad Debt	(\$81,035.34)
Total Accounts Receivable	\$1,354,551.67
Other Current Asset	
11800 - Prepaid Items	\$62,400.00
11900 - Undeposited Funds	\$9,979.57
11920 - Customer overpayments	(\$117,140.43)
13100 - Inventory Asset	\$1,950,567.52
15000 - Plant in Service	\$20,592.56
Total Other Current Asset	\$1,926,399.22
Total Current Assets	\$6,277,371.71
Fixed Assets	
14100 - General Furniture Fixtures	\$82,889.15
14199 - Accumulated Depreciation - Furniture	(\$30,830.25)
14200 - Equipment:Computers, Printers, Equip, Software	\$113,815.46
14299 - Accumulated Depreciation - Equipment	(\$216,417.44)
15010 - Physical Plant Structure	\$34,438,413.57
15020 - Physical Plant Electronics	\$4,826,435.33
15040 - Physical Plant Towers	\$178,656.12
15050 - Physical Plant Mobile - (Mobile Carriers & Generators)	\$100,546.32
15060 - Physical Plant Huts	\$187,497.91
15070 - Physical Plant Tools & Equipment	\$47,981.73
15098 - Accumulated Depreciation - Plant In Service	(\$10,564,868.51)
15100 - Physical Plant Network & Software	\$22,281.96
15199 - Accumulated Depreciation - Software	(\$64,303.09)
15200 - Vehicles & Equipment	\$1,044,801.30
15299 - Accumulated Depreciation - Vehicles	(\$410,308.52)
16000 - Railway Easement	\$250,000.00
17000 - Land	\$10,000.00
Total Fixed Assets	\$30,016,591.04
Other Assets	
15001 - GASB 87 leased assets	\$473,948.00
15002 - Accumulated Depreciation-GASB 87 leased assets	(\$55,439.86)
Total Other Assets	\$418,508.14
Total ASSETS	\$36,712,470.89
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
20000 - Accounts Payable	\$487,447.13
20050 - Accrued Interest Payable	\$270.00
Total Accounts Payable	\$487,717.13
Credit Card	

21010 - BB&T Visa 5701 LH	\$2,273.61
21030 - BB&T Visa 5340 RB	\$3,002.02
21040 - BB&T Visa 7215 TE	\$614.10
21060 - BB&T Visa 5625 KB	\$234.60
Total Credit Card	\$6,124.33
Other Current Liability	
20010 - Accrued Purchases	(\$67,250.41)
24010 - Direct Deposit Liabilities:USAC Reimbursements Deposits	\$34,464.37
24050 - USAC Prepaid	(\$39,072.30)
25000 - ESVBA Installation Assistance Program	(\$34,315.00)
26100 - USAC Tax Payable	\$67,709.63
26200 - Va Communications Tax	(\$14,439.08)
Total Other Current Liability	(\$52,902.79)
Total Current Liabilities	\$440,938.67
Long Term Liabilities	
27500 - BB&T Loan for Expansion	\$2,776,000.00
27700 - GASB 87 lease liability	\$419,378.29
28000 - Deferred Income	\$266,906.52
Total Long Term Liabilities	\$3,462,284.81
Equity	
Retained Earnings	\$26,181,921.78
Net Income	\$6,627,325.63
Total Equity	\$32,809,247.41
Total Liabilities & Equity	\$36,712,470.89

Eastern Shore of Virginia Broadband Authority
Board Income Statement
Mar 2024, Apr 2024

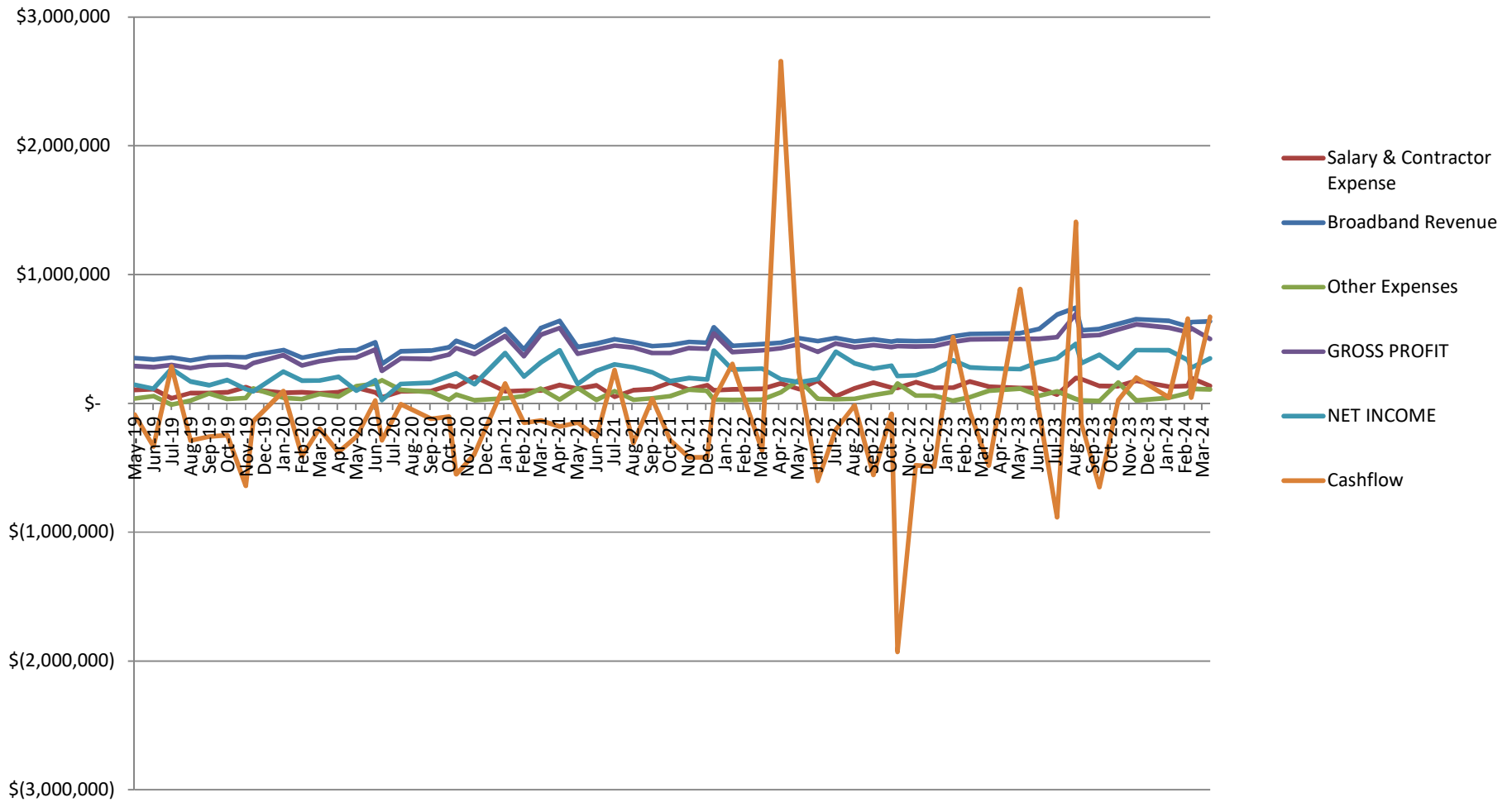
Financial Row	Mar 2024 Amount	Apr 2024 Amount	Total Amount
Income			
40000 - Broadband Income			
Education Income	\$29,671	\$29,671	\$59,342
Enterprise Income	\$46,432	\$41,064	\$87,496
Government Income	\$10,664	\$10,743	\$21,408
Medical Income	\$17,783	\$17,783	\$35,566
Other Income	\$9,430	-\$1,302	\$8,129
Residential Income	\$271,466	\$274,417	\$545,883
Wholesale Income	\$169,648	\$169,013	\$338,661
Total - 40000 - Broadband Income	\$555,094	\$541,390	\$1,096,484
40900 - Installation Income			
Enterprise Income	\$0	\$250	\$250
Government Income	\$0	\$250	\$250
Installation Income	\$0	-\$150	-\$150
Residential Income	\$85,025	\$92,325	\$177,350
Wholesale Income	\$1,051	\$1,051	\$2,102
Total - 40900 - Installation Income	\$86,076	\$93,726	\$179,802
46400 - Other Income			
Wholesale Income	\$150	\$150	\$300
Total - 46400 - Other Income	\$150	\$150	\$300
46460 - Interest Income			
Other Income	\$1,949	\$2,112	\$4,060
Total - 46460 - Interest Income	\$1,949	\$2,112	\$4,060
Total - Income	\$643,269	\$637,377	\$1,280,646
Cost Of Sales			
50000 - Cost of Goods Sold	\$7,424	\$0	\$7,424
50100 - Cost of Goods Sold:Internet Access	\$4,450	\$6,078	\$10,528
50300 - Cost of Goods Sold:3rd Party Dark service	\$27,502	\$27,583	\$55,085
50400 - Cost of Goods Sold:Utility Locates	\$446	\$493	\$940
50600 - Cost of Goods Sold:3rd Party Transport	\$3,899	\$3,899	\$7,798
51010 - Cost of Goods Sold:Collocation/Hut Expense:Utilities	\$2,970	\$3,118	\$6,088
51020 - Cost of Goods Sold:Collocation/Hut Expense:Phone, Communic.	\$156	\$165	\$321
51030 - Cost of Goods Sold:Collocation/Hut Expense:Fuel	\$36	\$0	\$36
51090 - Cost of Goods Sold:Collocation/Hut Expense:Maintenance	\$0	\$380	\$380
Total - Cost Of Sales	\$46,882	\$41,717	\$88,599
Gross Profit	\$596,386	\$595,660	\$1,192,047
Expense			
61200 - Payroll Expenses:Wages & Benefits	\$196,426	\$0	\$196,426
62200 - Sales and Marketing:Marketing and Promotions	\$3,700	\$2,700	\$6,400
62300 - Sales and Marketing:Marketing Materials	\$1,269	\$0	\$1,269
63100 - Travel and Meetings:Conference, Convention, Meeting	\$1,295	\$0	\$1,295
63200 - Travel and Meetings:Mileage/Tolls Reimbursement	\$121	\$773	\$894
63400 - Travel and Meetings:Meals & Entertainment	\$194	\$411	\$605
63500 - Travel and Meetings:Other Travel	\$580	\$1,923	\$2,502
64200 - Bank Charges & Fees	\$4,924	\$4,930	\$9,853
64280 - VATI Grant FY22 Special Construction	\$69,250	\$82,000	\$151,250
64300 - Dues, Subscriptions, Books	\$189	\$3,000	\$3,189
64320 - Dumpster/Trash Removal	\$298	\$298	\$596
64370 - Janitorial Services	\$695	\$640	\$1,335
64400 - Office Supplies & Expense	\$1,826	\$1,619	\$3,446
64420 - Printing and Copying	\$49	\$264	\$313
64450 - Postage, Mailing & Shipping	\$130	\$296	\$427
64460 - Office IT Hardware/Software	\$1,602	\$541	\$2,142
64470 - Office Maintenance & Repair	\$260	\$1,322	\$1,582
64480 - Rent or Lease Payments	\$3,150	\$65,950	\$69,100

64490 - Office Utilities	\$168	\$0	\$168
64630 - Staff Development	\$641	\$0	\$641
64700 - Taxes	\$274	\$519	\$793
64750 - Telephone & Telecommunications	\$588	\$581	\$1,169
64760 - Mobile Phones	\$680	\$220	\$900
65100 - Professional Services:Accounting & Administration	\$11,375	\$0	\$11,375
65200 - Professional Services:Legal Fees	\$0	\$61	\$61
67300 - Vehicle Fuel	\$2,969	\$2,893	\$5,861
67400 - Vehicle & Equip Maintenance & Repair Expenses	\$2,058	\$4,032	\$6,090
68000 - Physical Plant & Electrical Maintenance	\$1,185	\$0	\$1,185
68100 - Physical Plant Maintenance/Agreements/Warranties/Software	\$65,558	\$16,475	\$82,033
68200 - Physical Plant Permits & Fees	\$822	\$128	\$950
68300 - Physical Plant Repairs	\$263	\$0	\$263
68330 - Physical Plant/Inventory Disposed Items	\$5,153	\$0	\$5,153
68400 - Physical Plant Tools & Safety Equipment	\$477	\$64	\$541
68500 - Physical Plant Shipping Freight & Delivery	\$888	\$335	\$1,223
Total - Expense	\$379,057	\$191,974	\$571,030
Net Income	\$217,330	\$403,687	\$621,016

Eastern Shore of Virginia Broadband Authority
Board Cash Flow Statement
Mar 2024, Apr 2024

Financial Row	Mar 2024 Amount	Apr 2024 Amount
Operating Activities		
Net Income	\$217,329.67	\$403,686.62
Adjustments to Net Income		
Accounts Receivable	(\$73,023.01)	(\$24,003.80)
Inventory Asset	\$93,317.92	\$20,509.53
Accounts Payable	(\$198,092.71)	\$91,037.92
Sales Tax Payable	\$1,007.32	\$6,765.17
Other Current Liabilities	\$10,390.61	(\$1,528.87)
Total Adjustments to Net Income	(\$166,399.87)	\$92,779.95
Total Operating Activities	\$50,929.80	\$496,466.57
Investing Activities		
Fixed Asset	(\$435,634.32)	(\$150,316.82)
Total Investing Activities	(\$435,634.32)	(\$150,316.82)
Financing Activities		
Long Term Liabilities	(\$1,050.76)	(\$1,050.76)
Total Financing Activities	(\$1,050.76)	(\$1,050.76)
Net Change in Cash for Period	(\$385,755.28)	\$345,098.99
Cash at Beginning of Period	\$3,047,056.68	\$2,661,301.40
Cash at End of Period	\$2,661,301.40	\$3,006,400.39

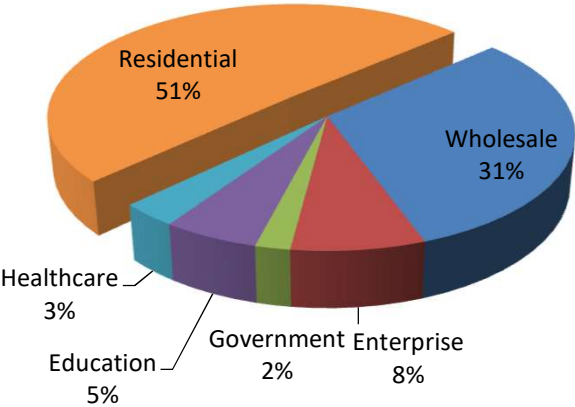
May '19 to Apr '24 Financials



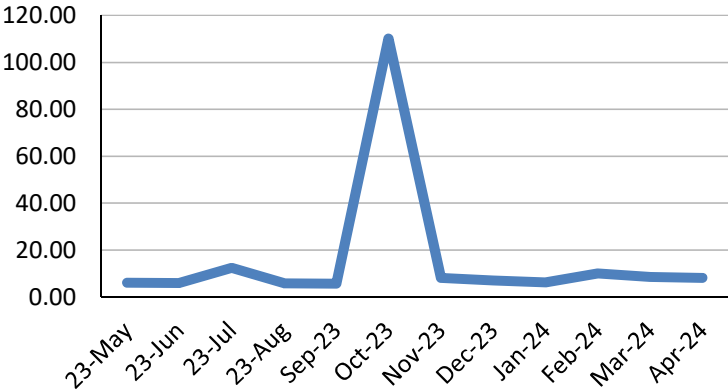
ESVBA Dashboard - May 2024

Financial Data

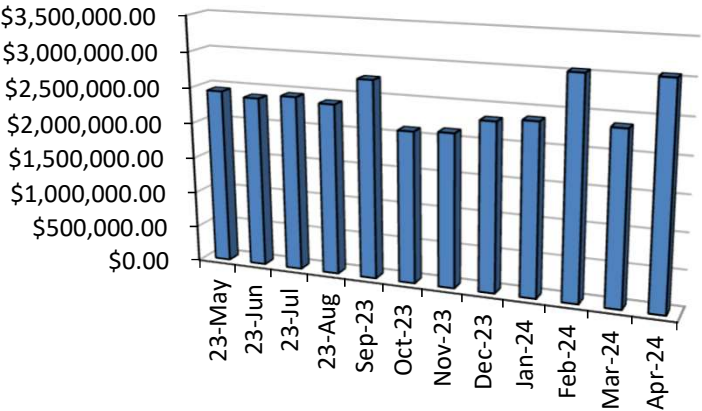
Revenue by Sector as of April 2024



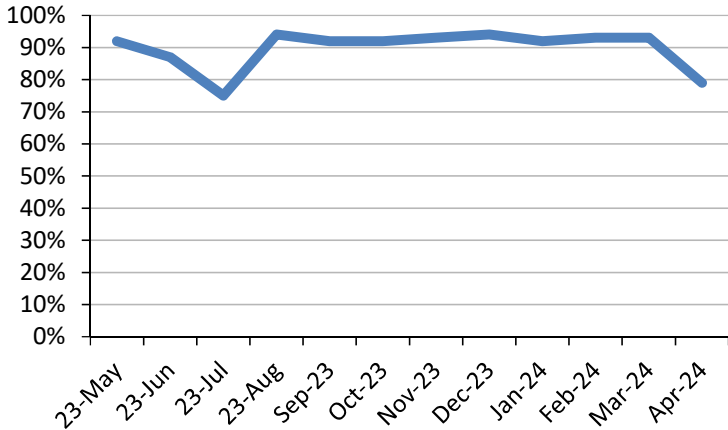
Quick Ratio



Cash & Cash Equivalents

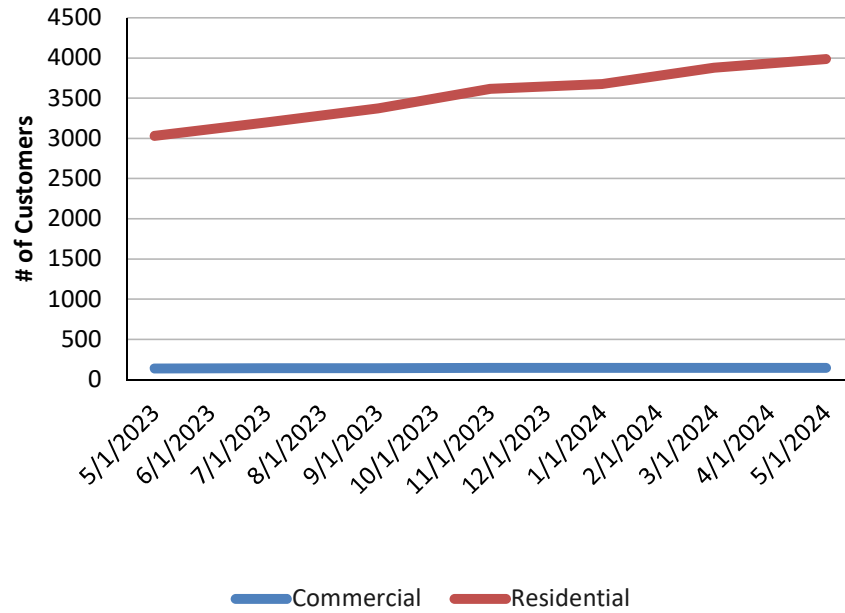


GROSS PROFIT MARGIN

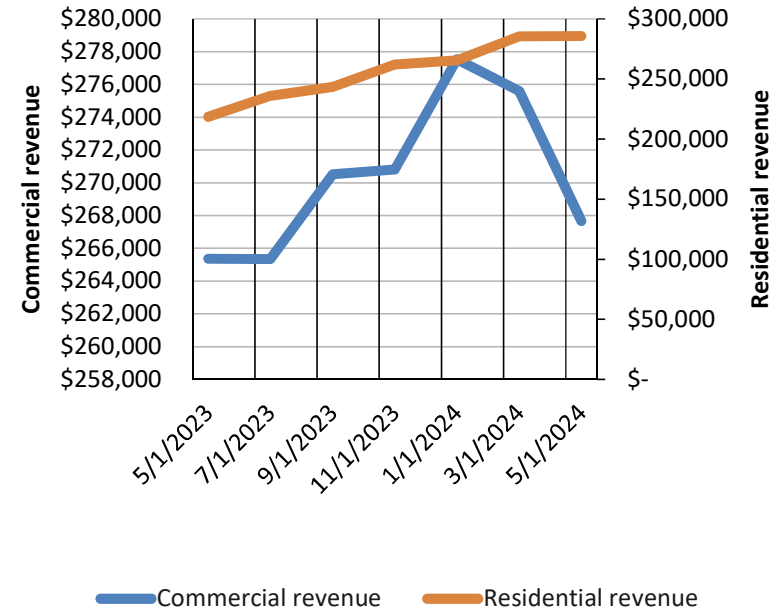


Customer Base

Customer Mix



Commercial vs. Residential Revenues



Ongoing events:

We have been advertising with WESR and their social media to share our progress

Until February, we have had a ¼ page advertisement in the ES Post to raise awareness of our brand.

We continue to place yard signs in strategic places to improve public awareness of our availability.

Recent past events:

In December, we participated in several holiday parades to share the holiday joy!

In February, we engaged with a billboard company and in March & April, the ESVBA deployed 4x large billboards 2 in Accomack, 2 in Northampton, engaging the public about the ESVBA. Three of the four billboards will be up for 13-months.

In February, we signed up with the ES Chamber for their gem level of member to be included in several media campaigns and events, a quarter page ad in their essential's magazine, we are a sponsor of the tour de shore bike ride, we are invited to the annual awards dinner and several other events.

On Feb 8th, we participated and presented at the Fiber Broadband Association's regional connect to learn about fiber efforts in the mid-Atlantic region and share our successes and efforts here on the Eastern Shore.

In March, we approved having an ESVBA ad being printed onto table mats to be used in local restaurants to provide more exposure for the ESVBA. We expect them to start being in use over the next few months.

In April, we engaged with CTG radio to have 6-months of spotlights, endorsement ads by local DH, social media spots and banners.

On April 11th, we participated in "Fiber Day on the hill" in Washington to represent fiber broadband services to members of congress

April 27th, we participated in ANEC's Member Appreciation event, there was a huge turnout and we provided information to hundreds of residents who were existing customer super happy or potential customers who badly want our service.

April 30th, we are attending the Bay Consortium Workforce Development Board Networking dinner to meet and engage with other entities on the eastern shore.

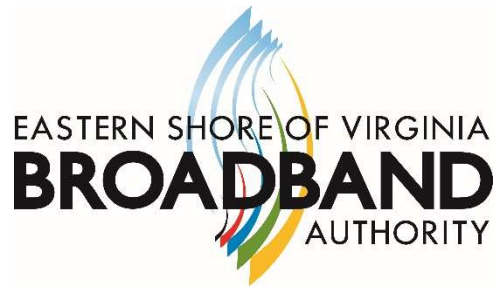
Upcoming events:

We are presenting and providing a “Ted Talk” like presentation at the national Fiber Broadband Association’s Annual Conference in July to share information about the ESVBA and our history/efforts

We will be sending a e-mail blast to all ES Chamber members about the ESVBA and our availability.

We are going to be doing a mass mailer to the Island of Chincoteague potential users to capture some of the distressed users of other services that are having reliability challenges.

We are participating in Chamber fest May 18th



VATI Update 5/19/24

Area 1

- All of the original design in Captain's Cove has been fully constructed and spliced minus Red Hills Rd. ANEC has identified a remedy to the low neutral and is in construction to resolve issue.

Area 2

- 100% completion

Area 3

- 100% completion

Area 4

- Remaining location for construction (Underground to start after completion of Area 2 and must dry up from all of the rain before starting):
 - Ann's Cove underground locations- Conduit placed, awaiting handhole placement

Area 5

- 100% completion

Area 6

- 100% completion

Area 7

- 100% completion

Area 8

- Remaining locations in active construction:
 - Stanley Mobil Home Park – No contact to get easements

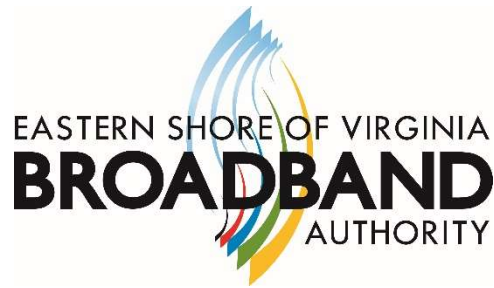
Area 9

- 100% completion

Area 10

- 100% completion

Area 11



- Remaining locations in active construction:
 - Bayview Circle- awaiting approval

Area 12

- 100% completion

Area 13

- Stuarts Way – HHs are set and conduit placed excluding 3 bores. Fiber placing this week following bores.

Area 14

- 100% completion

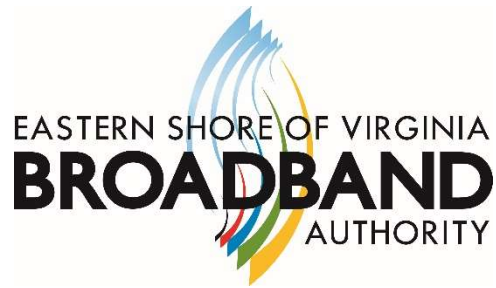
Overall the project is 93% complete build.

Subscriber Update

The ESVBA had constructed 1,658,705ft (~314miles) of usable fiber in the VATI FY22 area. This footage has provided for coverage of 9,330 (4,496 in Accomack and 4,834 in Northampton) homes that now currently have broadband coverage. In this same area, we currently have 1,191 active subscribers (876 in Accomack and 430 in Northampton) that are in-service and using the network.

Financial Update

As of April, the ESVBA had expended \$8,067,159 in funds that have been remitted to the state. Of that, we have received \$6,307,328 due to a 10% retainage that the state requires for the project and we have not received our April remittance. We have expended a total of \$9,665,316 in the project and the difference is project match.



Cybersecurity Audit Status Update 5/19/24

- Provided required documentation to GSG 4/18-4/22
- Review existing ESVBA policy docs 4/18-5/9
- Internal/External Network Penetration Scan and Testing 4/26-5/6 Completed
- 5/13/24 GSG provided ESVBA templates for some of the NIST policies required in the RFP for ESVBA consideration

Next steps:

- Working on NIST-compliant policy docs
- Onsite wifi and physical security testing (to be scheduled)

Prelim results for penetration testing were good with recommendations in final report in-line with usual recommendations (no substantive issues identified)

Virginia - ESVBA BEAD Update

May 26 2024

Virginia filed its Initial Proposal Volume 1 to NTIA for approval and is now approved. It is publicly available at:

https://www.dhcd.virginia.gov/sites/default/files/Docx/vati/final_ntia_approved_bead_volume_1.pdf

Virginia filed its Initial Proposal Volume 2 to NTIA and was sent back with requested curing edits which is available at:

<https://dhcd.virginia.gov/sites/default/files/DocX/vati/ntiacuringround2changes-virginiabeadvolume2.pdf>

The edits that are still of question range from how to score proposals comparing proposed pricing to current incumbents, changes in the letter of credit requirement and others.

Key major modifications:

- NTIA will now allow subgrantees to submit surety bonds instead of a letter of credit and that the bond can be reduced during the project upon milestone completions
- After “deployment” grants funding requests are determined, DHCD will be opening grants in ~ September 2024 for non-deployment grants addressing digital divide, affordability and adoption, addressing barriers to accessibility for Virginians.
- Adding \$10M in funding for workforce development for building broadband.
- The debate as to whether DHCD should demand a low-cost product from subgrantees vs asking subgrantees to declare the program(s) they have to help low-income Virginians (this is a hotly contested issue between Virginia & NTIA as well as at the federal level in Congress).

We are still awaiting concessions and approval of the Volume 2 between NTIA and DHCD. Additionally, NTIA is in receipt of the maps from Virginia for all eligible and non-eligible BEAD locations and awaiting approval.

Upon approval by NTIA of Virginia’s Volume 2 and the maps, there is a 365-day clock that starts. In that interval, DHCD will first open a 60-day period waiting for entities to submit a Letter of Intent to apply which must include the areas the providers are intending to apply for or they will not be able to submit applications. There is then a 7-10 day wait and then the 90-day application period opens. During that time, the applicants must complete and submit their applications in two systems. DHCD will review this round-one application process. Any zip code tabulation area (ZCTA) that has not been bid that has eligible locations will have DHCD open a second round of applications. After closing the second round, DHCD and the Governor’s office has the remaining of the 365-day interval to review and approve applicants on a ZCTA-by-ZCTA basis. When all areas are awarded, the package goes to NTIA who has an unlimited amount of time to discuss/review/approve/disapprove the package (and NTIA will be doing this will all 50 states and 6 territories).

Tentatively (pending Vol2 approval), applicants will be graded on:

Virginia - ESVBA BEAD Update

May 26 2024

Max Points	Target
45	Lowest price / passing
20	Lowest pricing for 1Gig symmetrical
10.2	Consent to fair labor practices and compliance with employment law
2.5	Speed to deployment within 3-years (the program allows up to 4-years
2.5	Speed of network and technical capabilities
9.9	Universality of proposed area
9.9	Letter of support by local municipalities

At this point the NTIA does:

1. Require a PE Certification on the network design, diagram, project costs, build-out timeline, milestones for project implementation, and capital investment schedule.
2. "Buy America" has a waiver available for non-optic glass such as construction items and electronics but will still require buy America for fiber optic cable.
3. The Letter of Credit requirement (for 25% of the project) can be waived for a performance bond equal to 100% of the bead award and the obligation can be reduced as the milestones are achieved.
4. Expect full Davis-Bacon

The ESVBA is preparing as much as is possible awaiting the release of the final list of addresses.

					Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	
Acct. #'s	Revenues																
	Total Revenue=				\$ 538,751	\$ 543,251	\$ 547,751	\$ 552,251	\$ 556,751	\$ 561,251	\$ 565,751	\$ 570,251	\$ 574,751	\$ 579,251	\$ 583,751	\$ 588,251	\$ 6,762,012
	Cost of Goods Sold																
	Total Cost of Goods Sold=				\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 72,025	\$ 864,300
	Gross Margin =				\$ 466,726	\$ 471,226	\$ 475,726	\$ 480,226	\$ 484,726	\$ 489,226	\$ 493,726	\$ 498,226	\$ 502,726	\$ 507,226	\$ 511,726	\$ 516,226	\$ 5,897,712
	Gross Margin (%) =				87%	87%	87%	87%	87%	87%	87%	87%	87%	88%	88%	88%	87%
	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				\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 121,065	\$ 1,452,785
	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				\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 5,129	\$ 61,553
	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				\$ 5,967	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 10,534	\$ 121,844
	Taxes & Benefits																
	Payroll Expense				\$ 191,161	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 197,827	\$ 2,367,257
	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																
					\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 4,167	\$ 50,000
	TOTAL WAGES & BENEFITS				\$ 196,453	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 203,119	\$ 2,430,757
	Operating Expenses																
	Sales & Marketing																
					\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 10,100	\$ 121,200
	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																
					\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 24,725	\$ 296,700
	Vehicle & Equipment Expenses																\$ -
					\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 86,880
	Professional Services																
					\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400	\$ 52,800
	System Maintenance & Repair																
					\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 38,000	\$ 456,000
	Insurance																
	Other																
					\$ -	\$ -	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000
	TOTAL OPERATING EXPENSES				\$ 91,435	\$ 91,435	\$ 154,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 91,435	\$ 1,160,220
	TOTAL SG&A EXPENSE				\$ 287,888	\$ 294,554	\$ 357,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 294,554	\$ 3,590,977
	OPERATING CASH FLOW				\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ 190,172	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 217,172	\$ 221,672	\$ 2,306,735
	EBITDA				\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ 190,172	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 217,172	\$ 221,672	\$ 2,306,735
	EBITDA (%)				33%	33%	22%	34%	34%	35%	35%	36%	36%	37%	37%	38%	34%

	Interest Payments						\$ 82,695						\$ 72,394		\$ 155,089
	Principal Payments	(BB&T Bond)					\$ 464,000								\$ 464,000
	Operating Income before Depreciation		\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ (356,523)	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 144,778	\$ 221,672	\$ 1,687,646
	Depreciation Expense		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pretax Income		\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ (356,523)	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 144,778	\$ 221,672	\$ 1,687,646
	Income Tax (0%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	After Tax Income/(Loss)		\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ (356,523)	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 144,778	\$ 221,672	\$ 1,687,646
	OPERATING CASH FLOW less Financial Activities		\$ 178,838	\$ 176,672	\$ 118,172	\$ 185,672	\$ (356,523)	\$ 194,672	\$ 199,172	\$ 203,672	\$ 208,172	\$ 212,672	\$ 144,778	\$ 221,672	\$ 1,687,646
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 5-9-24 = \$583,959														
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 5-9-24 = \$727,544														
	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	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 129,083	\$ 1,549,000
	INCREASE (DECREASE) IN CASH	Operating less Finance & CAPEX	\$ 37,921	\$ 35,756	\$ (22,744)	\$ 44,756	\$ (497,439)	\$ 53,756	\$ 58,256	\$ 62,756	\$ 67,256	\$ 71,756	\$ 3,862	\$ 80,756	\$ (3,354)
	Projected Beginning Cash Balance *		\$ 2,889,632	\$ 2,927,553	\$ 2,963,309	\$ 2,940,565	\$ 2,985,321	\$ 2,487,882	\$ 2,541,638	\$ 2,599,893	\$ 2,662,649	\$ 2,729,905	\$ 2,801,661	\$ 2,805,523	\$ 2,889,632
	Projected Ending Cash Balance		\$ 2,927,553	\$ 2,963,309	\$ 2,940,565	\$ 2,985,321	\$ 2,487,882	\$ 2,541,638	\$ 2,599,893	\$ 2,662,649	\$ 2,729,905	\$ 2,801,661	\$ 2,805,523	\$ 2,886,278	\$ 2,886,278

* Starting cash balance in July '24 is an approximation from the estimated cash balance at the end of April '24

Description	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	
Continued deploymeny of FTTH Phase 1	\$ 79,000	\$ 74,000	\$ 70,000	\$ 60,000	\$ 40,000	\$ 40,000	\$ -	\$ 363,000
Deployment of subs from FY2018 Expansion (Phase 2)	\$ 160,000	\$ 140,000	\$ 80,000	\$ 70,000	\$ 60,000	\$ 60,000	\$ -	\$ 570,000
Deployment of subs from VATI FY22 (Phase 3)	\$ 300,000	\$ 300,000	\$ 150,000	\$ 90,000	\$ 80,000	\$ 80,000	\$ -	\$ 1,000,000
Deployment of subs (Phase 4)	\$ -	\$ -	\$ 50,000	\$ 150,000	\$ 30,000	\$ 30,000	\$ -	\$ 260,000
Microcommunity Funding	\$ 70,000	\$ 70,000	\$ 30,000	\$ 20,000	\$ 15,000	\$ -	\$ -	\$ 205,000
New Subdivisons in built areas	\$ 60,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000
Diversity @Parksley Cabinet	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tangier Submarine Cable	\$ -	\$ -	\$ 2,000,000	\$ 3,000,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 14,000,000
Towers	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ 739,000	\$ 684,000	\$ 2,680,000	\$ 3,490,000	\$ 4,825,000	\$ 4,810,000	\$ 100,000	\$ 17,198,000

Other Equipment/Systems								
Hut Air Conditioner Replacements	\$ 26,000	\$ 26,000	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -	\$ 76,000
Virtual Server Upgrades	\$ 35,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Fiber Optical Monitors	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,000
Cisco 3560/2960/1200 Replacements	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Traffic Safety Equipment	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Security Audit and Mitigation	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Network Security/Anti Intrusion	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 80,000
OTDR	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Battery Replacement	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ 12,000	\$ 36,000
Vehicle Replacement/Addition	\$ -	\$ 45,000	\$ 200,000	\$ -	\$ 60,000	\$ 40,000	\$ -	\$ 345,000
Additional Hub Site	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Core Router Upgrades	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,000
Office furniture	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 15,000
Office Copier/Printer	\$ -	\$ -	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ 7,200
Office Computer Upgrades	\$ 5,000	\$ 10,000	\$ 1,500	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	\$ 37,500
Office Flagpole	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Office AC Replacments	\$ 16,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 810,000	\$ 184,000	\$ 250,700	\$ 64,000	\$ 79,000	\$ 59,000	\$ 12,000	\$ 1,408,700
	\$ 1,549,000	\$ 868,000	\$ 2,930,700	\$ 3,554,000	\$ 4,904,000	\$ 4,869,000	\$ 112,000	\$ 18,606,700