



NEKCV FINANCE COMMITTEE MEETING MINUTES - APPROVED SEPTEMBER 29TH 2025

DATE	Monday, August, 25, 2025	START TIME	2:00 PM	LOCATION	on Zoom
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ATTENDANCE - FINANCE COMMITTEE			
Chris Fortuna	Mike Barrett	Mike Strait	Ted Barnett

ATTENDANCE - STAFF			
Richard Azimov	Ashley Young	Greg Asnis	

TIME	ITEM	
2:00	The meeting began with a quorum.	
2:01	Motion To Approve Draft Minutes For June 23 2025. No modifications requested.	<p>Motion by Mike Straight Seconded by Mike Barrett</p> <p>Passed with no objections.</p>
2:02	Introduction of new members on accounting team, Ashley and Greg	
2:03	<p>Review of June 30 Financials</p> <p><u>Chris Fortuna:</u> Balance Sheet:</p> <p>End of June \$10.8M in cash Other Current Assets: \$8.9M with \$7.5M in inventory Fixed Asset Balance same as December 31: We haven't capitalized anything yet.</p> <p>\$4M out of the \$7.5M in inventory has been put into plant, so fixed assets is currently maybe \$4M-\$5M higher.</p> <p>\$5M in accounts payable - was leftover from spring invoices and is now caught up, and as of today accounts payable is down to hundreds of thousands, and cash balance is down about \$4.5M.</p> <p>We will have \$20M to draw on from the upcoming Construction Grant 5. We will probably draw \$13M on it within 45 days.</p> <p>We also applied for two \$400,000 grant reimbursements, they were related to loan origination costs that we can get funding for from the VCBB.</p> <p>Doing well from a cash flow perspective on the grant-side of cash reimbursements.</p>	
2:06	<p><u>Chris Fortuna:</u> Income Statement:</p> <p>Re Revenues for the first 6 months of 2025: Broadband rev \$723k is great, keeps increasing. RDOF Revenue from FCC is \$1.6M</p>	

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	<p>First two years of that is upfront , \$39,000 a month, through 2030, which is a transaction closed with Consolidated Communications, overtaking some of their RDOF responsibility. \$8.7M in admin grants, but will move to capitalized grants once we capitalize. Total revenues for first 6 months of 2025 is \$11.1 M</p> <p>Re expenses: Plant operations \$494k includes internal ops and costs for Waitsfield to run ISP Admin expense: everything else: marketing, accounting , and so forth \$5K in interest expense Other income: \$221K in interest income Capital Investment grant \$566K but most of \$8M in administrative grant will be reclassified there once we capitalize the expenses.</p>	
2:09	<p>Ted Barnett: Question: If you strip out grants on the revenue side, what's the structural revenue over expenses? Chris: About \$780, after taking out \$1.6M in RDOF revenue.</p>	
2:10	<p>Next Slide: Customer Revenue 163K for July up from 151 : 9% growth Growth in NEK is faster than CV, simply because we have released more areas this year. Customer accounts: 1,604 at end of July, 8% growth over prior month. Good growth trends there and we expect them to continue long-term Ted Barnett: Upward curve looks good.</p>	
2:12	<p>Chris: Actual vs Budget</p>	

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	<p>Customer revenue showing 20% below anticipated, but we will close that gap towards the end of year because we grow 8-10% each month.</p> <p>We expected \$2M for full-year customer generated revenues, we will probably come in around \$1.8.</p> <p>We have built all the miles we are projected, but not all miles released, so that is why we are behind, but we may have a realistic chance to fully catch up by EOY.</p> <p>RDOF revenue \$1.6m vs \$1.9m for first 6 months 2025. Full year budget was \$3.8M, that was before we closed on the RDOF transactions and revenues were fully understood..</p> <p>\$9.3M in grants vs \$18M budgeted, but the budgeted amount was done before we knew we were moving to fixed cost sub award as of end of 2024, and got \$12M extra in grants front-loaded at end of the year. We have received the same grant money but it has been in different periods.</p> <p>Operational costs \$500K vs \$620K, related to costs with Waitsfield as ISP on a per customer basis.</p> <p>Admin costs down a little bit vs budget, which is always a good thing, probably due to less consulting.</p> <p>\$11.5 Million in cap ex including the capitalization.</p> <p>Showing 1.7M in negative cash flow, but if you take into account the \$12M in fixed cost sub award that was awarded in 2024, it really isn't negative cash flow.</p> <p>We are doing well. A little short on customer revenue but we may catch up in the next few months.</p>	
2:18	<p>Bead Discussion</p> <p>Re BEAD, we moved CONGRANT5 / match, due to new rules, and BEAD rules/interpretation revisions slowed our builds down a bit as we had to adjust strategy.</p>	
2:20	<p>Ted Barnett - Question whether we need a budget adjustment</p> <p>Chris says we could do this if we needed to. If we don't get BEAD then for sure.</p>	

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	Mike Strait does not think we need to do this because of BEAD results timing and the fact that we are starting the 2026 budget process. Ted Concur.	
2:22	Group back and forth on improving charting and review	
2:27	Motion To Adjourn	Motion by Mike Barrett Seconded by Ted Barnett Passed with no objections.
2:28	Meeting Adjourned	