



## 2023 Annual Report

### Introduction

Pursuant to 30 V.S.A. § 3075, the Northwest Vermont Communications Union District (NWCUD) is pleased to present its annual report and budget for your review. The NWCUD was officially formed on August 3, 2020. The NWCUD is a municipal body consisting of representatives from Northwest Vermont municipalities for the purposes of building communication infrastructure.

As of October 23, 2023, the NWCUD represents 22 Northwest municipalities: Alburgh, Bakersfield, Berkshire, Enosburgh, Fairfield, Franklin, Fairfax, Georgia, Grand Isle, Highgate, Isle la Motte, Milton, Montgomery, North Hero, Richford, Sheldon, South Hero, Swanton, Village of Alburgh, Village of Enosburg Falls and Village of Swanton.

The mission of the NWCUD, as adopted by the Board of Representatives, is:

"Leverage partnerships and procure funding to connect Northwestern Vermont via Open Access Fiber to ensure opportunity for all homes and businesses in our region."

This year, the NWCUD received \$1,805,908 in grants from the VT Community Broadband Board (H360) to support broadband expansion and capacity building.

### Activities of the Northwest Communications Union District

#### *ISP Partnership*

We reached a milestone agreement with the Biddeford Internet Corporation, d/b/a Great Works Internet Vermont (GWI VT), paving the way for our communities to access a robust, reliable, and affordable fiber internet network. Under the agreement, NWCUD will construct, own, maintain, and operate an "open access" fiber optic cable network and associated equipment and facilities. GWI VT will license the network from NWCUD and deliver services.

#### *Fiber Acquisition*

We doubled our fiber optic cable supply by taking advantage of a unique opportunity from a neighboring CUD. This came at no cost to NWCUD and further prepared us for materials needed for Phase 1 of construction.



### *Model & Design Refinement*

In preparation for Phase 1 of construction and our grant application for the VCB Construction Grant Program, joint efforts with GWI are underway to prepare us for our next steps. A financial model/plan is currently in its final stages, and a refinement of the High-Level Design completed earlier this year is in progress. We are working quickly through these steps and anticipate construction to begin in 2024.

Revenues	FY 2023 Est. Actuals	FY2024 Budget
<b>Item</b>		
Philanthropic donations	\$ -	\$ -
Promissory notes issued	\$ -	\$ -
Pre Construction Grants	\$ 1,805,908	\$ 434,700
Construction Grants	\$ -	\$ 17,543,000
End Year Surplus	\$ 121,900	\$ -
Interest Earned	\$ 2,464	\$ 3,000
Misc. Income	\$ 23,385	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 1,953,657</b>	<b>\$ 18,102,600</b>

Debt	FY 2023 Est. Actuals	FY2024 Budget
Loans	0	0
<b>Total Cash Receipts</b>	<b>\$ 1,953,657</b>	<b>\$ 18,102,600</b>

Expenditures	FY 2023 Est. Actuals	FY2024 Budget
<b>Capital</b>		
Pole Survey	\$ -	\$ 450,000
Project & Construction Management	\$ 103,677	\$ 1,142,000
Permitting, make ready	\$ -	\$ -
Design & Engineering	\$ 1,291,573	\$ 2,000,000
Headend	\$ -	\$ 608,000
Field Network Equipment	\$ -	\$ 329,000
Aerial Construction	\$ -	\$ 9,500,000
Underground Construction	\$ -	\$ 2,000,000
Network O&M	\$ -	\$ 489,000
Construction Contingency	\$ -	\$ 1,017,000
Loan	\$ -	\$ -
Debt service	\$ -	\$ -
Audit	\$ 10,089	\$ 11,000
<b>* Subtotal Capital</b>	<b>\$ 1,405,339</b>	<b>\$ 17,546,000</b>



# NORTHWEST FIBERWORX

**DRAFT**

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<b>Operational</b>			
External business development services (incl. business plan consulting)	\$	40,000	\$ 25,000
QuickBooks			\$ 1,200
Accounting Fees	\$	10,500	\$ 12,000
Other Financial (bank fees)	\$	80	\$ 500
Insurance - Cyber Network	\$	1,888	\$ 1,888
Insurance - General Liability	\$	1,256	\$ 1,256
Insurance - Liability, D and O	\$	1,947	\$ 1,947
Insurance - Umbrella	\$	2,500	\$ 2,500
Insurance - Assets/Inventory	\$	783	\$ 1,500
Postage, Mailing Services	\$	310	\$ 1,000
Office Supplies	\$	300	\$ 1,000
Legal	\$	25,383	\$ 25,000
Advertising	\$	750	\$ 1,000
Website (Domain and hosting service)	\$	204	\$ 205
Association Fees	\$	8,500	\$ 9,000
Phone Service	\$	1,648	\$ 1,750
Microsoft Business Suite	\$	1,548	\$ 1,600
Google Suite	\$	144	\$ 150
Adobe Creative Cloud	\$	1,092	\$ 1,092
Software - Other	\$	360	\$ 500
Travel	\$	3,500	\$ 7,500
Conference, Convention, Meetings	\$	429	\$ 7,500
Zoom Software	\$	150	\$ 300
Docusign Software	\$	120	\$ 120
VPN	\$	100	\$ 100
VETRO Fibermap	\$	25,000	\$ 25,000
Contingency	\$	966	\$ 2,500
Executive Committee Stipends	\$	1,750	\$ 3,000
<b>Subtotal Operational</b>	<b>\$</b>	<b>131,207</b>	<b>\$ 136,108</b>

<b>Staff</b>			
Payroll	\$	272,172	\$ 312,600
Health Insurance	\$	41,000	\$ 45,000
Dental	\$	2,600	\$ 3,000
Vision			\$ 1,100
Retirement Contribution	\$	23,338	\$ 25,000
Life/Disability	\$	3,082	\$ 3,100
Worker's Comp	\$	1,192	\$ 1,192
Taxes/Withholdings	\$	21,109	\$ 23,000



Payroll Service	\$	848	\$	1,000
<b>Subtotal Capital</b>	<b>\$</b>	<b>365,341</b>	<b>\$</b>	<b>414,992</b>
<b>Technology</b>				
Equipment (Laptop, phone)	\$	4,316	\$	5,500
<b>Subtotal Capital</b>	<b>\$</b>	<b>4,316</b>	<b>\$</b>	<b>5,500</b>
<b>Totals</b>				
		<b>FY 2023 Est. Actuals</b>		<b>FY2024 Budget</b>
<b>TOTAL CAPEX</b>	<b>\$</b>	<b>1,405,339</b>	<b>\$</b>	<b>17,546,000</b>
<b>TOTAL OPEX</b>	<b>\$</b>	<b>500,864</b>	<b>\$</b>	<b>556,600</b>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>1,906,202</b>	<b>\$</b>	<b>18,102,600</b>
<b>Net Income</b>	<b>\$</b>	<b>47,454</b>	<b>\$</b>	<b>-</b>
<b>Net Cash</b>	<b>\$</b>	<b>47,454</b>	<b>\$</b>	<b>-</b>

Notes:

- Drafted on 10/13/2023
- Approved for Distribution on 10/19/2023

30 V.S.A. § 3075 - The district's fiscal year shall commence on January 1 and end on December 31.

1. Annually, on or before October 21, the board shall approve and cause to be distributed to the legislative body of each district member for review and comment on an annual report of its activities, together with a financial statement, a proposed district budget for the next fiscal year, and a forecast presenting anticipated year-end results. The proposed budget shall include reasonably detailed estimates of:
  - a. deficits and surpluses from prior fiscal years;
  - b. anticipated expenditures for the administration of the district;
  - c. anticipated expenditures for the operation and maintenance of any district communications plant
2. Coincident with a regular meeting thereof, the board shall hold a public hearing on or before November 15 of each year to receive comments from the legislative bodies of district members and hear all other interested persons regarding the proposed budget.
3. Annually, on or before December 15, the board shall adopt the budget and appropriate the sums it deems necessary to meet its obligations and operate and carry out the district's functions for the next ensuing fiscal year.