

2022 ANNUAL REPORT

In 2022, NEK Broadband had a busy year focused on building capacity and preparing for construction. This included obtaining necessary grant financing, procuring materials, having make-ready work done on poles, starting detailed design of the network, doing field collection and constructing our fiber network. We installed service to some of our first customers, connected homes, and implemented both customer and billing services.

PREPARATION FOR CONSTRUCTION

- We received 538 miles of fiber optic cable.
- \$1.9 M in hardware and equipment was ordered.
- We submitted applications to electric and communication utility companies to gain access to poles in order to prepare them for installation. This totaled a combined 8 utility companies, over 500 miles, across 4 towns, and more than 10,000 poles!

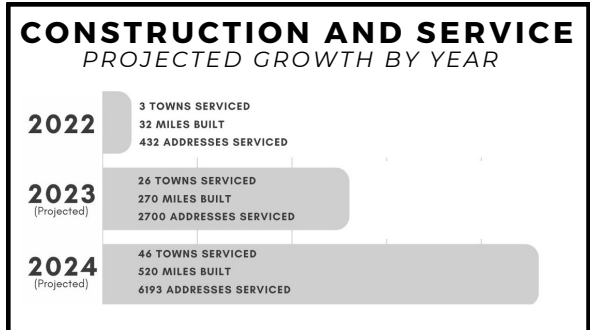
BUDGET SUMMARY

2022 Budget to Actual (Projected)			2023 Proposed Budget	
	Budget	Actual DRAFT (Projected)	Projected Surplus from 2022	\$96,801
Administrative Grant Revenue	\$494,750	\$762,985	Administrative Grant Revenue	\$2,017,718
Operations Revenue	\$203,000	\$49,138	Operations Revenue	\$747,767
Capital Grant Revenue	\$26,005,250	\$5,565,444	Capital Grant Revenue	\$28,540,288
Total Cash In	\$26,703,000	\$6,377,567	Total Cash In	\$31,305,773
Administrative Cost	\$494,750	\$617,969	Administrative Cost	\$1,790,387
Operational Cost	\$215,900	\$97,353	Operational Cost	\$638,098
Construction Cost	\$25,705,000	\$5,565,444	Construction Cost	\$28,540,288
Total Cash Out	\$26,415,650	\$6,280,766	Total Cash Out	\$30,968,773
Annual Net Cash Flow	\$403,134	\$96,801	Annual Net Cash Flow	\$337,000
Increase in Capital Assets	\$25,705,000	\$5,565,444	Increase in Capital Assets	\$28,540,288

- This year, the Vermont Community Broadband Board (VCBB) approved \$8,023,915 in Pre-Construction Grants and \$20,865,889 in Construction Grants.
- We secured American Rescue Plan Act (ARPA) Fiscal Recovery Funds from 13 towns, totaling \$941,750 plus an added \$941,750 in matching funds from the VCBB.
- We completed and secured a USDA Rural Business Development Grant to build 7 miles, serving 90 premises for \$190,380.

BUILDING CAPACITY

- Three full-time employees were hired in 2022; three new full-time positions are open.
- Contracts have been finalized with all major vendors needed for construction and operations.
- We secured warehouses in Saint Johnsbury and Brighton.



ABOUT NEK BROADBAND

We are a Communications Union District (CUD), a municipal entity representing every town in Caledonia, Essex, and Orleans counties, plus Wolcott in Lamoille County. Our district is building high-speed broadband internet service for underserved communities in the Northeast Kingdom of Vermont.

OUR MISSION

NEK Broadband is a community-driven organization whose mission is to ensure high-speed broadband internet service is available to the most rural and underserved communities in the Northeast Kingdom and Wolcott.