

The following is a projected enterprise fund budget for fiscal year 2021. Uncertainty about build schedule and the speed of ramp up will affect the accuracy of this projected budget. The projected budget for the start up year is very different from the expected budget in full operation. See the full pro-forma budget (on reverse) for a realistic full-operation budget projection. During the start-up period, many expenses will be allocated to start-up costs in the construction budget.

FY 2021 Budget

Estimated Revenues		
User Fees	\$	12,972
Interest	\$	-
Subtotal Revenue	\$	12,972
Retained Earnings	\$	-
Total Revenues	\$	12,972
Direct Expenses		
ISP/NO Fees	\$	9,534
Electricity	\$	450
Contingency (15%)	\$	1,498
Subtotal Direct Expenses	\$	11,482
Indirect Expenses	\$	1,000
Total Expenses	\$	12,482
Surplus (Deficit)	\$	490

12-Nov-2020

**Pro-Forma Operating Budget
CHARLEMONT**

Route miles	48.1
Utility poles	1752
Depreciation reserve basis (plant)	1,750,000
Depreciation reserve basis (equipment)	271,000
Town financed debt	1,750,000
Available market	684
Modeled take rate	70%
Wholesale ISP/NO cost (per month)	26.88
Wholesale VOIP phone cost (per month)	12.95
Subscriber charge (monthly, internet only)	79.99
Subscriber charge (monthly, phone add on)	19.99

Item	Item Category	Annual Cost Factor	Annual # Units	Unit Basis	Budget	Notes (provide information about your determination of costs)
MLP Administrative Costs						
Accountant	Fixed	\$3,000.00	1		\$3,000.00	Based on Leverett
Bookkeeping, Treasurer	Fixed	\$5,000.00	1		\$5,000.00	Based on Leverett
Legal	Fixed	\$5,000.00	1		\$5,000.00	
Website	Fixed				-	Provided by WGE
Marketing	Fixed				-	Provided by WGE
Insurance						
Insurance Membership dues	Fixed	\$0.00	1	Annual	-	Assumes MIIA (no dues)
Electronics coverage (town hall)	Fixed	\$1,009.00	1	Annual	1,009	MIIA quote
General Liability Insurance (full network)	Fixed	\$10,504.00	1	Annual	10,504	MIIA quote
Plant						
Fiber plant Depreciation (40 yrs. useful life)	Fixed		0.0%		-	No plant depreciation reserve until construction debt is paid
Electronics Depreciation (10 yrs. useful life)	Fixed		10.0%		27,100	Assumes 10 year replacement schedule
Operations and Maintenance	Fixed	\$0.00	n/a		-	Included in WGE per-subscriber ISP costs
Fiber Plant Repairs and Maintenance	Fixed	\$1,200.00	48	Per Mile	57,720	Additional capital reserves for repairs / storms (WGE high-end recommendation)
Vendor Electronic Maintenance	Fixed	\$5,000.00	1		5,000	MBI recommendation
Sparing					-	Provided by WGE
Pole Bonding Fees	Annual	\$6,000.00	1		6,000	Cost of bonds through Cabot Risk
Pole Lease Fee	Annual	\$13.43	1752	Poles	23,529	Utility lease rates
Network Operation						
Bandwidth	Semi-Fixed	\$14,400.00	1		14,400	Axia rates for 1Gbps backhaul
Other Operator/ISP fees	Semi-Fixed	\$0.00	1		-	Included in WGE ISP charges
Lifeline Annual Subscription	Fixed	\$1,000.00	1		1,000	WGE contract
Other Expenses						
POP electricity	Semi-Fixed	\$1,500.00	1	Annual	1,500	Based on MBI recommendation for GPON
Regulatory/Inspection/Other					-	
Contingency	Percentage		5%	Operating Cost	8,038	Based on fixed operating expenses
					-	
MLP Fixed Operating Expenses / year					<u>\$168,800</u>	
Variable Expenses						
ISP / NO wholesale cost	Variable			Subscriber	\$ 154,442	
Phone wholesale cost	Variable		30%	Subscriber	\$ 22,322	
STRIPE charges	Variable		2.9%	Payments	\$ 14,327	
Lifeline subscriber renewals	Variable	\$25.00	10%	Subscriber	\$ 1,197	
MLP Variable Operating Expenses / year					<u>\$192,288</u>	
Income						
Internet subscriber fees	Variable			Subscriber	\$ 459,591	
VOIP subscriber fees	Variable		30%	Subscriber	\$ 34,456	
CAF2 income	Fixed	\$3,000.00	1		\$ 3,000	WGE Contract
MLP Income / year					<u>\$497,047</u>	
Annual MLP Budget						
Fixed operating costs					\$ 168,800	
Variable operating costs (based on take rate)					\$ 192,288	
Total expenses					\$ 361,088	
Total income					\$ 497,047	
Net profit (loss) before debt allocation					\$ 135,959	
Town debt allocation		\$135,000.00	100%	Percent	\$ 135,000	Unibank debt projection
Net profit (loss) after debt allocation					\$ 959	