

## FINANCES

### June '20 Connexion Budget to Actual

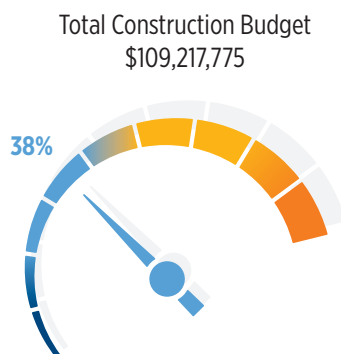
	BUDGET	ACTUAL	BETTER / (WORSE)
Operating Revenues*	\$1,764,543	\$185,907	(\$1,578,636)
Operating Expense	\$2,870,384	\$1,464,536	\$1,405,848
Net Operations	(\$1,105,841)	(\$1,278,629)	(\$172,788)
Investment Income	\$0	\$1,058,994	\$1,058,994
Net Total	(\$1,105,841)	(\$219,635)	\$886,206
	BUDGET	PROJECT TO DATE	REMAINING
Construction Budget	\$109,217,775	\$41,199,955	\$68,017,820

\*Excludes investment earnings on bond proceeds

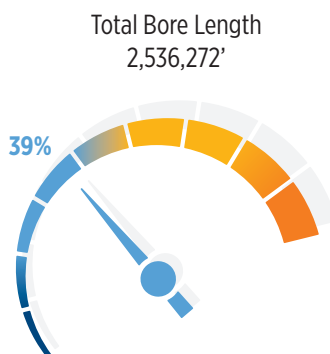
While the Connexion Budget included an aggressive launch schedule, the Connexion team intentionally chose to take a controlled release approach for launch to ensure processes and procedures were in place before full ramp up. Delays with the back-office system delivery (Open Smart Flex billing solution), the historically difficult winter for Fort Collins and the COVID-19 outbreak resulted in a slower start up.



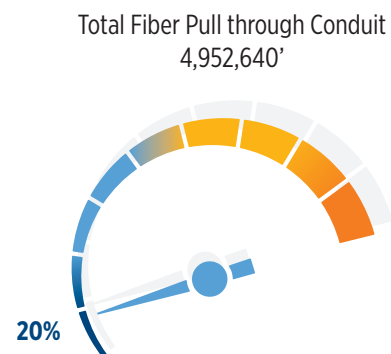
- Slower start up is reflected in the lower operating revenues and operating expenses compared to budget.
- Operating expenses \$1.4 M less than budget.
- Net effect of (\$172,788) operating cash flow compared to budget excluding investment income.
- Overall cashflow was \$886k positive driven primarily by investment income from unspent bond proceeds and lower operating expenses.
- We are approximately 38% spent on Construction Budget which is on target.
- Construction in the initial areas required a significant amount of new boring. As we move forward, we anticipate using more existing infrastructure.
- We are confident we can complete the build within the capital budget estimated in the business plan.



Spend to Date  
\$41,199,995



Completed Bore Length  
981,717'

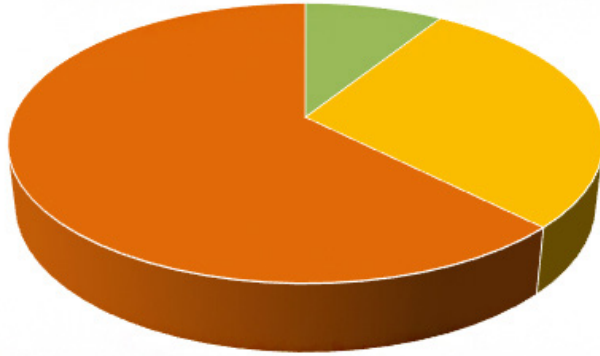


Completed Fiber Pull through Conduit  
1,012,196'

## GENERAL UPDATE

### FDH Status - June 2020 357 Total

The city is divided into Fiber Distribution Hubs for the building process which runs from design to construction to being available for services.



■ Ready for Sale (32) ■ Under Construction (102) ■ FDH in Design (228)

An FDH is a neighborhood consisting of approximately 225+ homes.

### Construction Update

- 191 Miles of fiber have been installed along with 2900 vaults and over 5,000 flowerpots.
- Construction includes both missile boring and directional boring. Fiber will also be pulled through existing conduit when available.
- Construction occurs in the Right of Way (ROW). Many homeowners have landscaped and irrigated in the ROW. Our crews do their best to minimize damage. When damage does occur, please call 970-674-7800 to report.
- Springtime/summer weather conditions have helped increase weekly production.
- Design work is currently focused on commercial and alley installations areas.
- Construction and home installs continue with the added protocols of "Safer at Home" during the COVID-19 pandemic.

## PRODUCTS AND PRICING

### Connexion TV

From primetime, local news, sports, family, kids, home improvement, and your favorite premium channels, there is so much to explore with Connexion TV!

### Residential Video

BRONZE - \$29.95 a month	SILVER - \$69.95 a month	GOLD - \$79.95 a month
<ul style="list-style-type: none"><li>• <b>35+ channels</b> All your essential and local channels like ABC, NBC, CBS, PBS and more</li><li>• <b>5 streams included</b> Add up to 5 more</li><li>• <b>Cloud DVR</b> 100 hours included</li><li>• <b>Video On Demand</b> 6,000+ titles</li></ul>	<ul style="list-style-type: none"><li>• <b>90+ channels</b> Local programming plus expanded channels including ESPN, HGTV &amp; The Disney Channel</li><li>• <b>5 streams included</b> Add up to 5 more</li><li>• <b>Cloud DVR</b> 100 hours included</li><li>• <b>Video On Demand</b> 6,000+ titles</li></ul>	<ul style="list-style-type: none"><li>• <b>180+ channels</b> The ultimate TV viewing experience with NFL Network, Cooking, DIY, Science, Sundance and much, much more!</li><li>• <b>5 streams included</b> Add up to 5 more</li><li>• <b>Cloud DVR</b> 100 hours included</li><li>• <b>Video On Demand</b> 6,000+ titles</li></ul>

### Available



- Sports and Spanish language packages available
- 100 hrs. Cloud DVR storage included (option to upgrade)
  - Use a streaming device (Apple®, Android™, Amazon Fire TV, etc.) or optional set top box rental
  - 5 simultaneous streams included (option to upgrade)





### Locates

Prior to construction beginning in a neighborhood, Colorado Utility Notification Call Center, commonly referred to as Colorado 811, is notified and locates are performed. This ensures our crews know what is below the ground before digging.

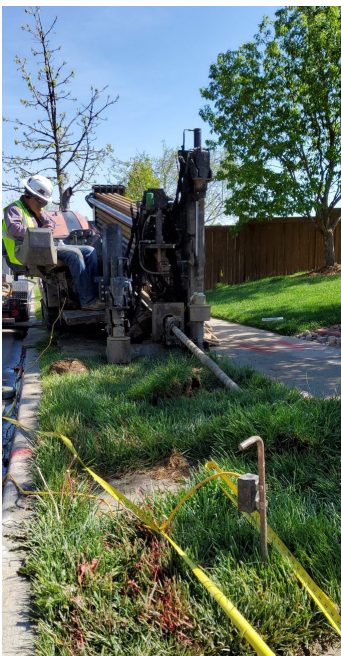
You may see professional locator crews identifying utility lines in your neighborhood. Physical “locates” will either be water soluble (or water solvent) paint marks that wash off over time or flags in the ground. Water soluble paint usually dissolves within 6 weeks and solvent paint may take up to 5 months on average to dissolve.

Please do not remove the markers from their locations. Locates flag may be in place for up to 30 days. If you are unsure if a locate flag has been in place for too long or for additional information, please call the Utility Notification Center of Colorado (1-800-922-1987) to see if it is safe to remove.

### Door Hanging and Construction

Immediately following locates, crews will hang door tags on each home in your neighborhood. The door tag lets you know that Connexion crews will be in your neighborhood soon and provides a phone number to call if you have questions or concerns. Keep an eye out for one of these on your door!

Fort Collins Connexion posts notifications on Nextdoor.com. You can sign up for this free service anytime at [nextdoor.com](https://nextdoor.com). We also post tips for lawn maintenance after construction is finished and irrigation repair contact information if needed.



### Right of Way

After locates and door hanging, crews will begin installing fiber pathways along existing public Rights of Way and utility easements using directional boring. These areas are designed to allow the City to build and maintain streets, curbs and gutters, storm sewers and underground utilities. A Right of Way may include curbs, sidewalks, and grass. All Fort Collins utilities run through these areas and the broadband network will be added to follow the same path.

We understand that construction work may be disruptive and a potential inconvenience. Our goal throughout the entire construction process, is to be as minimally invasive as possible and return your property to its original state as quickly and efficiently as possible.



## Restoration

Following construction work, crews will restore landscaping and clean up after themselves when finished.



If your lawn or sprinkler system is affected by construction, please call our construction help line at **970-674-7800** and we will take care of any resodding and/or sprinkler repair.

If you have recently had sod replacement as a result of Connexion work, it's important to follow these simple steps to ensure your new grass grows healthy and strong:

Water daily for the next 10-14 days, (subject to weather). The area should be moist to a depth of ½" to 1" but do not let puddles form.



Keep foot traffic to a minimum until the first mowing. Wait at least 14 days or until the new grass is at least 3" tall before mowing.

If at any time you have questions or concerns regarding restoration, please call 970-674-7800.

## Homeowners Associations

Some areas owned by a Homeowners Association (HOA) have private streets that do not have public Right of Way (ROW) access for our fiber optic network to be installed. We do require a Right of Way agreement with the HOA to ensure these areas receive service. If you are a neighborhood with private streets, please contact us so we can initiate a ROW agreement to ensure a timely buildout.

Additionally some HOA's have private irrigation systems are not registered with 811 and our crews have no way of knowing they exist in the Right of Way. By properly identifying and locating any private water lines before construction begins, we can avoid accidental damage, saving both the property owner and Connexion time and money. Please contact us directly at [sales@fconnexion.com](mailto:sales@fconnexion.com). For more information, please visit our website at [fconnexion.com/hoa](http://fconnexion.com/hoa).

