

FINANCES

Connexion YTD Budget to Actual as of September '20

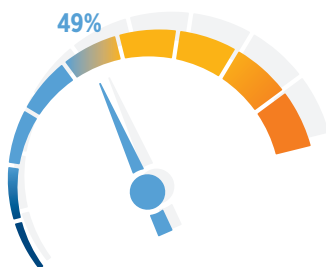
	BUDGET	ACTUAL	BETTER / (WORSE)
Operating Revenues*	\$3,341,568	\$487,356	(\$2,854,212)
Operating Expense	\$4,667,864	\$2,211,236	\$2,456,628
Net Operations	(\$1,326,296)	(\$1,767,158)	(\$397,584)
Investment Income	\$0	\$1,300,192	\$1,300,192
Net Total	(\$1,326,296)	(\$466,966)	\$859,330
	BUDGET	PROJECT TO DATE	REMAINING
Construction Budget	\$109,217,775	\$53,262,312	\$55,955,463

*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 Smartflex 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 \$2.5 M less than budget.
- Net effect of (\$397,584) operating cash flow compared to budget excluding investment income.
- Overall cashflow was \$859 K positive driven primarily by investment income from unspent bond proceeds and lower operating expenses.
- We are approximately 49% spent on Construction Budget which is on target.
- Construction in the initial areas required a significant amount of new boring, which incurs a higher cost. As we move forward, we anticipate using more existing infrastructure resulting in a lower cost.
- We are confident we can complete the build within the capital budget estimated in the business plan.

Total Construction Budget
\$109,217,775



Spend to Date
\$53,262,312

Total Bore Length
2,536,272'



Completed Bore Length
1,377,719'

Total Fiber Pull through Conduit
4,952,640'

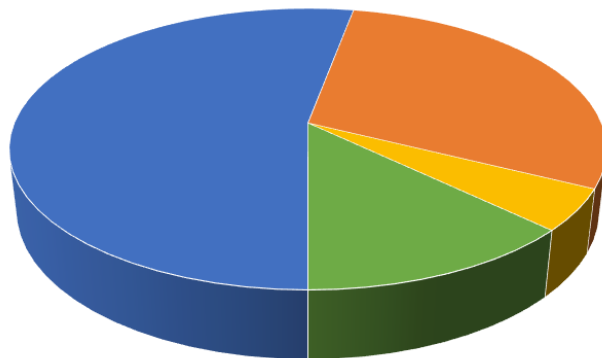


Completed Fiber Pull through Conduit
1,414,092'

GENERAL UPDATE

FDH Status - September 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.



Released for Sale (46) Under Construction (105)
Quality Control (17) FDH in Design (189)

An FDH consists of approximately 225+ homes

Construction Update

- 268 miles of fiber have been installed along with 3,836 vaults and over 7,400 flowerpots.
- Construction includes both missile boring and directional boring. Fiber will also be pulled through existing conduit when available.
- All construction work occurs in the public right of way (ROW). Our crews do their best to minimize damage to landscaping and irrigation systems. When damage does occur, please call our Help Line at 970-674-7800 to report.
- Summer weather conditions continued to help increase weekly production, which will help to offset potential bad weather in the upcoming winter.
- Design work continues to progress for remaining areas of the City of Fort Collins, with a continued focus on alley installations areas.
- Construction and in-home/in-business installs continue with an emphasis on safety protocols during the COVID-19 pandemic.

PRODUCTS AND PRICING

Connexion TV Everywhere

With Fort Collins Connexion TV Everywhere, you can enjoy your favorite shows and movies on your favorite device no matter where you are!

Connexion TV Everywhere is a FREE streaming experience included when you sign up for Connexion TV. Anticipated launch in Q4 2020.

All you need is an internet connection and Connexion TV service. From movie channels and cartoons to your favorite sports networks – we've got you covered.



- Free for Connexion TV customers
- Stream a wide variety of channels based on your Connexion TV package
- Fast and easy to sign up
- Access from any laptop, tablet, PC or mobile device



EVEN MORE OF YOUR FAVORITE CHANNELS AVAILABLE!

CONSTRUCTION 101

Winter Preparedness

Beginning in November and continuing through the months of January and February, Fort Collins has a high potential for winter conditions that can affect Connexion construction work.

When temperatures drop there is risk of frozen ground, which can have an impact on boring work. City and AEG crews preemptively work on getting as much conduit laid as possible during the warmer months so they can switch to pulling fiber in case of a deep freeze.

Snowstorms may cause a temporary halt in work, but you will see crews back out as quickly as the snow fall stops to continue building out our fiber optic network!



Beginning in November, we will discontinue resodding until spring 2021.

Connexion crews and contractors do their best to be minimally invasive when installing conduit and fiber in the public right of way. But there are times when lawn restoration is needed. If your lawn or sprinkler system was disturbed, don't worry! We will come back and get everything back to its original condition! Just call our Construction Help Line at 970-674-7800 and someone will be happy to help you.

Fort Collins Connexion will continue to provide sod replacement through the month of October. Instructions for care of your new sod have changed in accordance with the temporary water restrictions that began on October 1, 2020.

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:



Please water your new lawn by hand 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.

Starting November 1st, we will add any homeowners requiring sprinkler repair and/or lawn restoration services to our Spring Check List. AEG will reach out to residents on the list beginning in March or April 2021 to schedule restoration. To be added to the list, please call our Construction Help Line at 970-674-7800.

INSTALLATION



Pre-Installation

A few days prior to your scheduled in-home installation, our crews will come to your property to pull fiber from the street to the side of your home. This process is minimally invasive, and we strive to return your landscape to its original state. There is no need for you to be home during this process, but if you have any concerns regarding the work to be done, just let us know.

Our installers' vehicles will be clearly marked as a **Connexion Approved Contractor**. Typically, the pre-installation process takes less than two hours to complete.

To bring the fiber from the street to your home, installers will run the fiber from a small vault called a "flowerpot" to the side of your house. A flowerpot typically serves two houses.

From the flowerpot, the fiber cable is buried 10-12" underground to ensure it is out of the way of sprinklers and other utilities. Installers will work to ensure the least disruption to your property as possible. Rest assured, your lawn will be returned to its original state once the work has been completed.

Once the fiber cable reaches the side of your house, it is connected to a small box called a NID or Network Interface Device. This box typically will be in the same vicinity as your electrical meter on the side of your home.

After the main construction has been completed and your landscape has been returned to normal, a separate technician will splice the fiber to the main network. Splicing occurs at the side of the home in the NID as well as in the neighborhood vault.

You are now ready for your in-home installation and one step closer to highspeed, reliable gigabit service with Connexion!

Your In-Home Installation

On the day of your in-home installation you will receive a call from your installer 30 minutes prior to your scheduled appointment. Your installer will arrive at your home in a clearly marked **Connexion Approved Contractor** vehicle.

Your installer will also be wearing Connexion branded clothing and a name badge so you know who will be in your home. Before entering your home, the installer will put on shoe protection to keep your home clean. All of our installers are currently required to wear a mask to protect you and our installer, as well as maintain social distancing standards of 6ft at all times. If you feel more comfortable in a separate room or area of the home apart from the actual installation work, the installer will work with you to maintain phone contact for updates and questions.

Once inside, your installer will establish the best placement of the ONT (Optical Network Terminal). Think of the ONT as your wireless router, where your gig service terminates.

Often the placement of your current equipment is a good location to install the Connexion fiber equipment. However, the installer will work with you to understand all of your needs and determine the optimal location for your ONT. Once a location for your ONT is established, the installer will work on finding the best route to bring the fiber from your exterior NID inside to the wall near your ONT. If necessary, the installer may access your attic, basement, or crawl space to pull the fiber into your home.

Once the fiber is pulled through, a hole will be cut in the wall and a wall plate is installed with the fiber connection. The ONT is placed nearby and is connected to the wall plate with a short cable.

Once the installation is completed, a series of tests are conducted to confirm signal and speed, your devices are set up and connected and cleanup is finished. Your installer will leave some information with you about additional services and technical support in case you need to contact us.

Congratulations! You are now up and running on your own 1 Gbps speed internet!

