



**Complete
Broadband
Solutions.**



Broadband Financial Feasibility Study Summary of Findings and Recommendations

Date: September 27th, 2022

Prepared for: County of Aachua

Introduction & Analysis Overview

Municipalities are increasingly examining deployment of broadband and broadband related services.

Recognized importance of broadband as critical piece of infrastructure:

- Impacting economic development prospects of a geography
- Impacting the quality of life of a geography's citizens

Increasing Emergence of Grant Opportunities

JSI's charge: Examine the financial feasibility of a county-wide deployment of broadband.



Level Set Considerations

Demand for Broadband Speed / Capacity continues to experience accelerated growth.

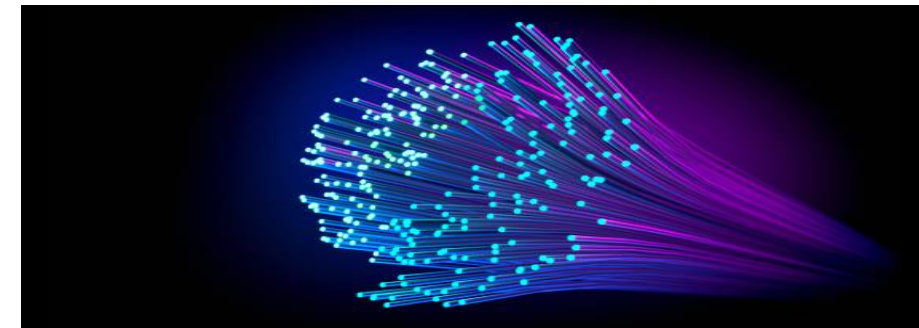
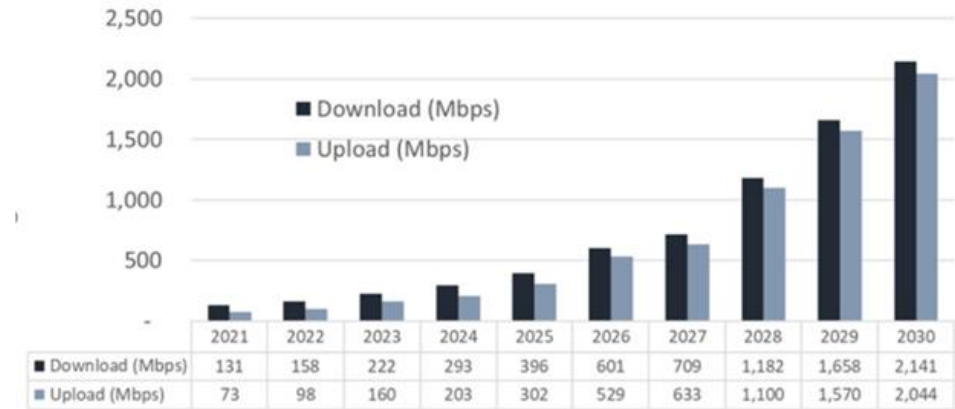
- 2020 to 2021 Demand grew by ~40%.
- Not an aberration – reflection of an ongoing, consistent trendline.

Municipalities seeking to create an infrastructure to power the needs / demands of the market, and engender growth in their geographies must recognize forecasted demand, and select technologies that address such forecasted demand.

Fiber is a future proof technology and is the logical choice given historical and forecasted demand trends.

Fiber deployments are intensely capital intensive. That capital intensity married to low population density, combined with largely residential-centric deployments leads to a range of financial challenges.

PROJECTED PEAK BANDWIDTH REQUIREMENTS - HOUSEHOLD OF 4



Establishing a Tactical Plan – “Squaring the Equation”

Design Elements of Tactical Plan Development:



Phase I – Higher Density, Grant Eligible Areas

RUS Reconnect Program – Round 4

Federal program designed to enable service to areas with service below 100/20Mbps.

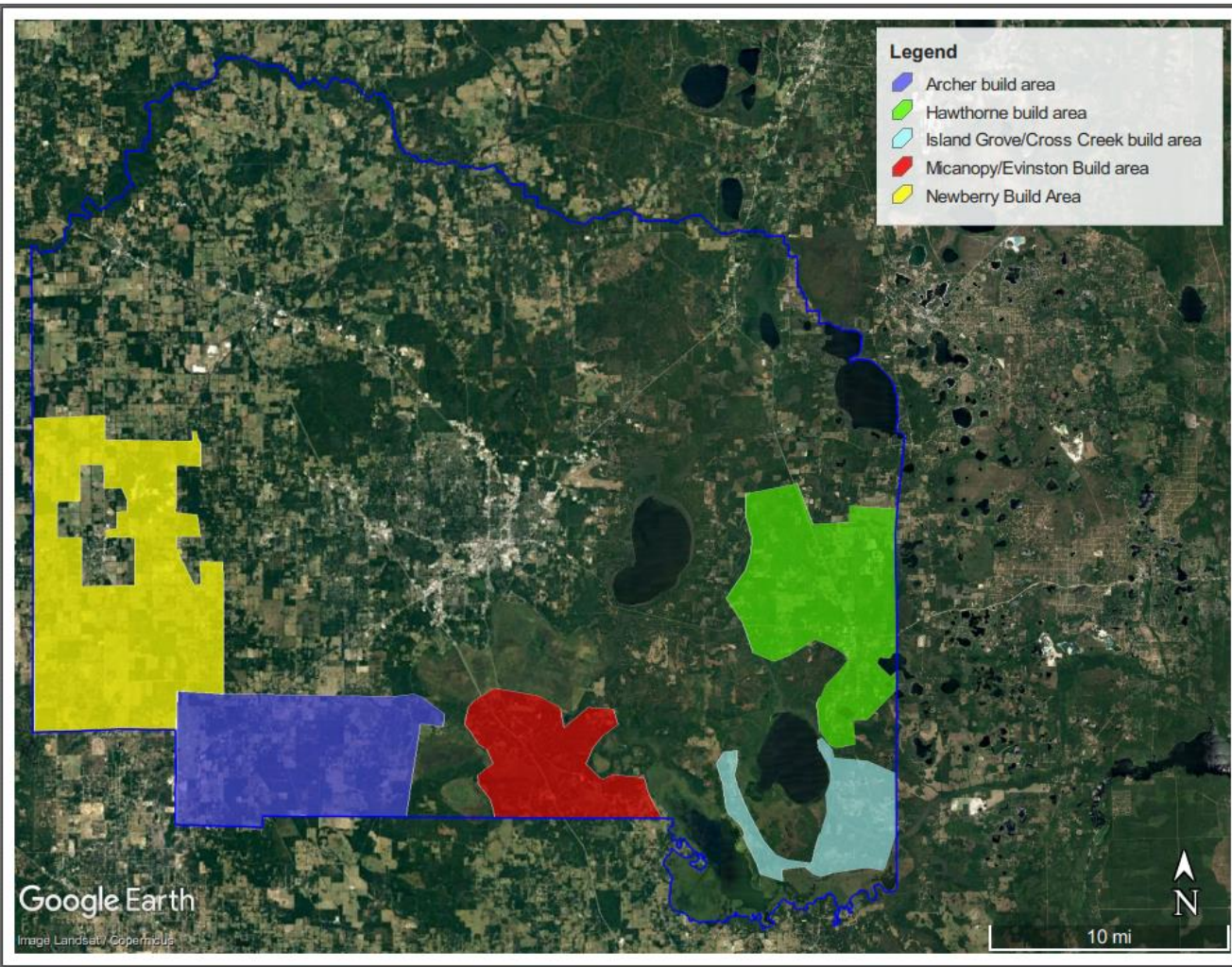
Areas selected based on:

- Relative density – key to creating sustainable business case, and limiting level of grant dollars necessary to produce such an outcome.
- Ability to create a lucid and foundational engineering-based network design.
- Greatest number of locations that fit within maximum specified program award - \$50M

Area Profile:

- 8,654 locations passed
- 551 fiber route miles
- ~\$51M CAPEX
- 55% Market Share – 2 year ramp

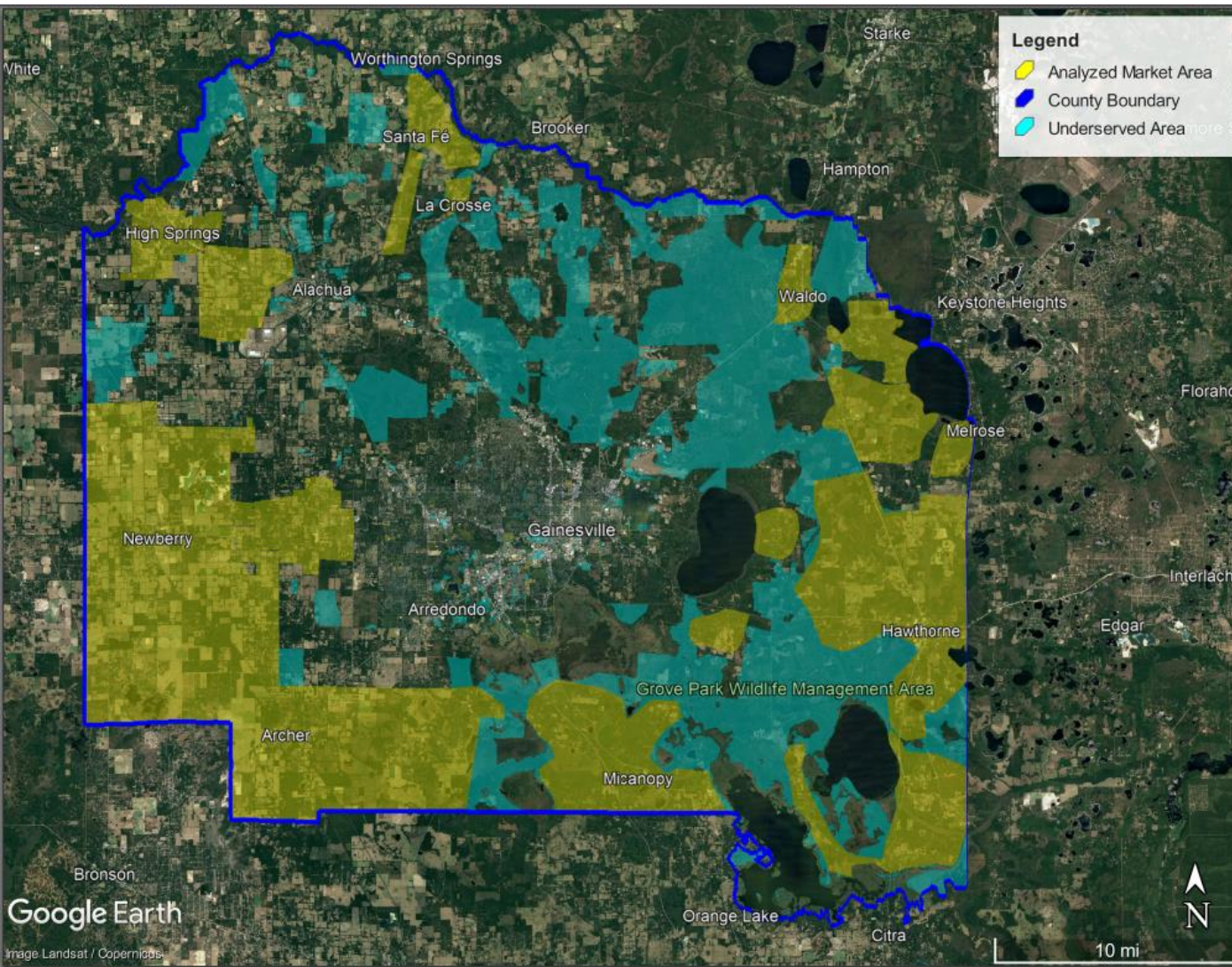
| Project / Market Name | Homes Passed |
|----------------------------|--------------|
| 1 Archer | 2,088 |
| 2 Hawthorne | 2,039 |
| 3 Island Grove/Cross Creek | 684 |
| 4 Micanopy/Evinston | 1,272 |
| 5 Newberry | 2,571 |



| MARKET | | | | | | | | | | | | | | | | |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| MarketName | | | | | | | | | | | | | | | | |
| Total - Grant Related Areas | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
| Forecasted Subscribers | | 793 | 3,173 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 | 4,760 |
| Revenues | | | | | | | | | | | | | | | | |
| Broadband Retail Revenue | 126,809 | 1,622,998 | 3,349,044 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 | 3,709,710 |
| Voice Revenue | 3,966 | 49,977 | 103,127 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 | 114,233 |
| Installation Revenue | 79,328 | 237,985 | 158,657 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Uncollectible Revenue | (721) | (6,497) | (12,277) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) | (13,001) |
| Total Revenue | \$ 211,383 | \$ 1,904,463 | \$ 3,598,551 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 | \$ 3,810,942 |
| Expenses | | | | | | | | | | | | | | | | |
| Broadband COGS | 6,143 | 77,402 | 159,718 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 | 176,918 |
| Voice COGS | 278 | 3,498 | 7,219 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 | 7,996 |
| Sales & Marketing Expense - Acquisition | 99,160 | 297,481 | 198,321 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales & Marketing Expense - Churn Mgt. | 3,171 | 28,567 | 53,978 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 | 57,164 |
| Customer Support & Billing Expense | 7,484 | 94,296 | 194,580 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 | 215,534 |
| Corporate Operations Expense | 12,726 | 114,658 | 216,650 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 | 229,437 |
| Network Maintenance Expense | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 | 278,206 |
| Pole Attachment Expenses | 27,755 | 111,020 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 | 166,530 |
| Incremental Internal Personnel Expense | 122,368 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 | 133,493 |
| Depreciation / Amortization Expense | - | 1,462,502 | 1,567,895 | 1,617,625 | 1,561,606 | 1,507,526 | 1,455,320 | 1,404,921 | 1,356,268 | 1,353,453 | 1,306,582 | 1,261,335 | 1,217,854 | 1,175,486 | 1,134,778 | 1,134,778 |
| Interest Expense | - | - | - | 699,784 | 1,020,457 | 984,041 | 946,042 | 906,389 | 865,012 | 821,835 | 776,780 | 729,766 | 680,706 | 629,513 | 576,093 | 576,093 |
| Total Expense | \$ 557,291 | \$ 2,601,123 | \$ 2,976,588 | \$ 3,582,686 | \$ 3,847,340 | \$ 3,756,845 | \$ 3,666,639 | \$ 3,576,588 | \$ 3,486,557 | \$ 3,440,566 | \$ 3,348,640 | \$ 3,256,378 | \$ 3,163,638 | \$ 3,070,276 | \$ 2,976,149 | \$ 2,976,149 |
| Operating Income | \$ (345,908) | \$ (696,660) | \$ 621,962 | \$ 228,255 | \$ (36,399) | \$ 54,096 | \$ 144,303 | \$ 234,354 | \$ 324,384 | \$ 370,376 | \$ 462,301 | \$ 554,564 | \$ 647,304 | \$ 740,665 | \$ 834,793 | \$ 834,793 |
| Cumulative Operating Income | \$ (345,908) | \$ (1,042,568) | \$ (420,606) | \$ (192,350) | \$ (228,749) | \$ (174,653) | \$ (30,350) | \$ 204,004 | \$ 528,388 | \$ 898,764 | \$ 1,361,065 | \$ 1,915,629 | \$ 2,562,933 | \$ 3,303,598 | \$ 4,138,391 | \$ 4,138,391 |
| EBITDA | \$ (345,908) | \$ 765,842 | \$ 2,189,857 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 | \$ 2,545,664 |
| EBITDA % | -16.4% | 40% | 61% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% | 67% |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Debt Service | \$ 21,673,205 | \$ - | \$ - | \$ - | \$ 1,238,469 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 | \$ 1,857,703 |
| Net Cash Flow | \$ (345,908) | \$ 765,842 | \$ 2,189,857 | \$ 1,307,195 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 | \$ 687,960 |
| Cumulative Cash Flow - After Debt Service | \$ (345,908) | \$ 419,934 | \$ 2,609,792 | \$ 3,916,987 | \$ 4,604,947 | \$ 5,292,908 | \$ 5,980,868 | \$ 6,668,829 | \$ 7,356,789 | \$ 8,044,749 | \$ 8,732,710 | \$ 9,420,670 | \$ 10,108,631 | \$ 10,796,591 | \$ 11,484,552 | \$ 11,484,552 |



Phase II – Higher Density, Non-Eligible Grant Areas



Adding Non-Grant Areas – End State – Phase II

Phase II layers in second set of markets that are non-eligible grant areas, but...

Have reasonable density

Layer in well with Phase I builds

Absence of fiber-based options

Area Profile:

14,753 locations passed.

463 fiber route miles

~\$53M CAPEX

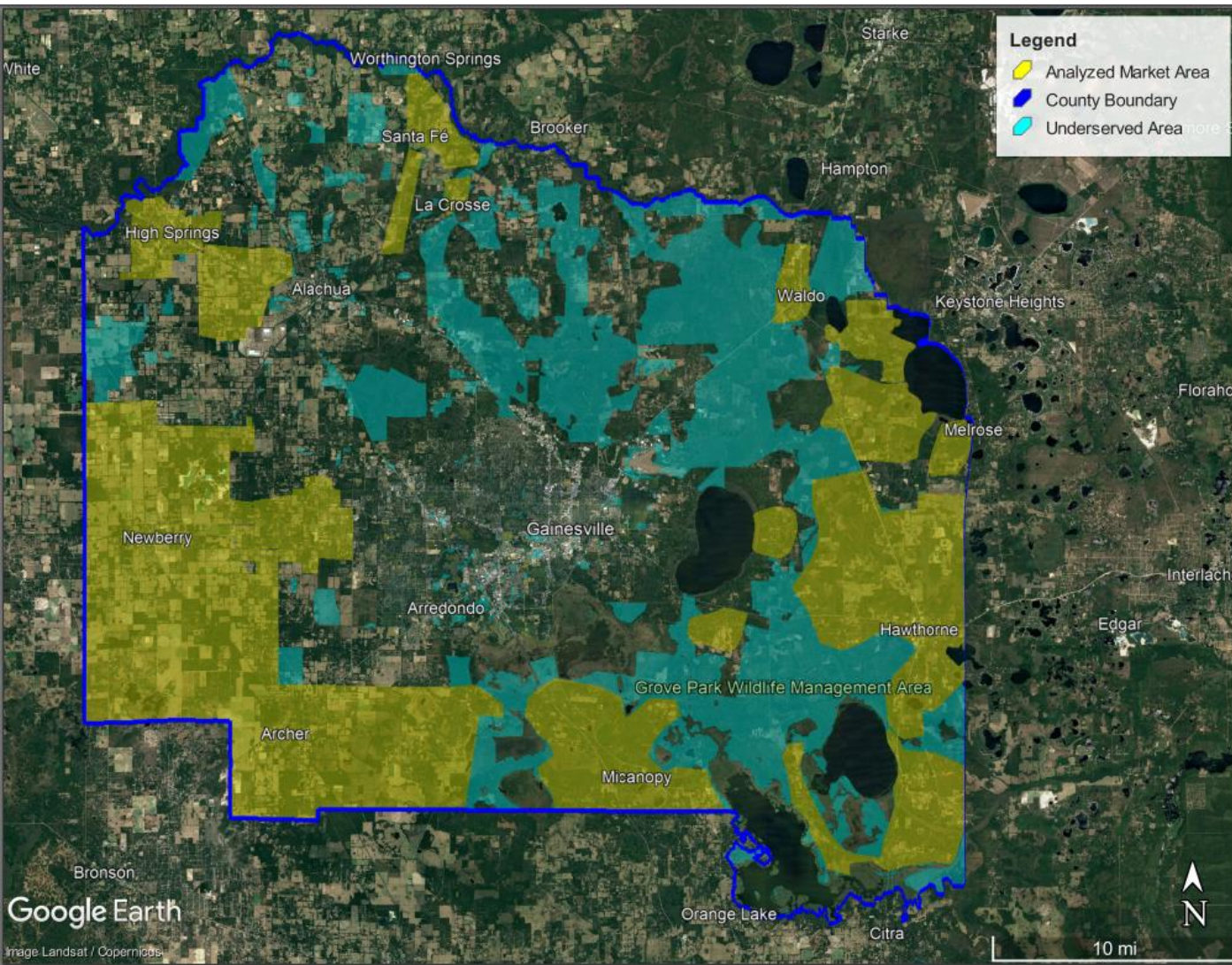
40% Market share
– 3-year ramp.

| Project / Market Name | Homes Passed |
|-----------------------|--------------|
| 6 Arno | 1,627 |
| 7 Earleton | 639 |
| 8 High Springs | 2,987 |
| 9 Jonesville-Tioga | 4,583 |
| 10 La Crosse | 190 |
| 11 Melrose | 332 |
| 12 Newberry Town | 2,506 |
| 13 Orange Heights | 507 |
| 14 Rochelle | 99 |
| 15 Santa Fe | 245 |
| 16 Waldo | 723 |
| 17 Windsor | 315 |

| MARKET | | | | | | | | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| Market Name | | | | | | | | | | | | | | | | |
| Total - Non-Grant Areas | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | |
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | |
| Forecasted Subscribers | 572 | 2,371 | 4,338 | 5,733 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | 5,901 | |
| Revenue | | | | | | | | | | | | | | | | |
| Broadband Retail Revenue | 101,418 | 1,292,784 | 2,925,943 | 4,499,403 | 4,982,936 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | 5,024,636 | |
| Voice Revenue | 2,859 | 36,439 | 82,473 | 126,824 | 140,453 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | 141,629 | |
| Installation Revenue | 57,173 | 179,916 | 196,707 | 139,533 | 16,791 | - | - | - | - | - | - | - | - | - | - | |
| Uncollectible Revenue | (549) | (5,131) | (10,897) | (16,204) | (17,477) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | (17,565) | |
| Total Revenue | \$ 160,901 | \$ 1,503,987 | \$ 3,194,225 | \$ 4,749,557 | \$ 5,122,704 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | \$ 5,148,699 | |
| Expenses | | | | | | | | | | | | | | | | |
| Broadband COGS | 4,857 | 61,874 | 140,044 | 215,357 | 238,505 | 240,501 | 240,501 | 240,501 | 240,501 | 240,501 | 239,954 | 239,954 | 239,954 | 239,954 | 239,954 | |
| Voice COGS | 200 | 2,551 | 5,773 | 8,878 | 9,832 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | 9,914 | |
| Sales & Marketing Expense - Acquisition | 71,467 | 224,894 | 245,883 | 174,417 | 20,989 | - | - | - | - | - | - | - | - | - | - | |
| Sales & Marketing Expense - Churn Mgt. | 2,414 | 22,560 | 47,913 | 71,243 | 76,841 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | 77,230 | |
| Customer Support & Billing Expense | 5,394 | 68,753 | 155,610 | 239,292 | 265,007 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | 267,225 | |
| Corporate Operations Expense | 9,687 | 90,547 | 192,307 | 285,946 | 308,411 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | 309,976 | |
| Network Maintenance Expense | 209,472 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | 269,053 | |
| Pole Attachment Expenses | 11,800 | 50,833 | 97,133 | 131,633 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | 138,900 | |
| Incremental Internal Personnel Expense | 132,289 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | 165,507 | |
| Depreciation / Amortization Expense | - | 950,756 | 1,524,247 | 1,600,437 | 1,636,501 | 1,590,837 | 1,535,746 | 1,482,562 | 1,431,220 | 1,447,423 | 1,406,956 | 1,358,232 | 1,311,196 | 1,265,788 | 1,221,953 | |
| Interest Expense | 572,560 | 1,925,465 | 2,227,816 | 2,321,054 | 2,286,102 | 2,197,269 | 2,098,993 | 1,995,668 | 1,961,821 | 1,876,236 | 1,756,669 | 1,627,900 | 1,492,515 | 1,350,174 | 1,200,519 | |
| Total Expense | \$ 1,020,138 | \$ 3,832,794 | \$ 5,071,289 | \$ 5,482,817 | \$ 5,415,648 | \$ 5,266,414 | \$ 5,113,047 | \$ 4,956,538 | \$ 4,871,348 | \$ 4,801,967 | \$ 4,641,386 | \$ 4,463,893 | \$ 4,281,471 | \$ 4,093,723 | \$ 3,900,233 | |
| Operating Income | \$ (859,237) | \$ (2,328,807) | \$ (1,877,063) | \$ (733,260) | \$ (292,944) | \$ (117,714) | \$ 35,653 | \$ 192,161 | \$ 277,351 | \$ 346,732 | \$ 507,314 | \$ 684,806 | \$ 867,228 | \$ 1,054,977 | \$ 1,248,467 | |
| Cumulative Operating Income | \$ (859,237) | \$ (3,188,043) | \$ (5,065,107) | \$ (5,798,367) | \$ (6,091,311) | \$ (6,209,025) | \$ (6,173,372) | \$ (5,981,211) | \$ (5,703,860) | \$ (5,357,128) | \$ (4,849,814) | \$ (4,165,008) | \$ (3,297,780) | \$ (2,242,804) | \$ (994,337) | |
| EBITDA | \$ (286,677) | \$ 547,414 | \$ 1,875,000 | \$ 3,188,231 | \$ 3,629,659 | \$ 3,670,392 | \$ 3,670,392 | \$ 3,670,392 | \$ 3,670,392 | \$ 3,670,392 | \$ 3,670,939 | \$ 3,670,939 | \$ 3,670,939 | \$ 3,670,939 | \$ 3,670,939 | |
| EBITDA % | -178% | 36% | 59% | 67% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | 71% | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Cash Flow - Net of Interest Payment | (859,237) | (1,378,050) | (352,817) | 867,177 | 1,343,557 | 1,473,123 | 1,571,398 | 1,674,723 | 1,708,570 | 1,794,156 | 1,914,270 | 2,043,038 | 2,178,424 | 2,320,765 | 2,470,420 | |
| Cumulative Cash Flow | \$ (859,237) | \$ (2,237,287) | \$ (2,590,104) | \$ (1,722,927) | \$ (379,370) | \$ 1,093,753 | \$ 2,665,151 | \$ 4,339,874 | \$ 6,048,444 | \$ 7,842,600 | \$ 9,756,870 | \$ 11,799,908 | \$ 13,978,332 | \$ 16,299,096 | \$ 18,769,516 | |
| Debt Service | \$ 80,816,142 | \$ 854,159 | \$ 3,243,538 | \$ 3,777,057 | \$ 4,028,292 | \$ 4,105,698 | \$ 4,109,951 | \$ 4,109,951 | \$ 4,109,951 | \$ 4,211,193 | \$ 4,259,928 | \$ 4,262,830 | \$ 4,262,830 | \$ 4,262,830 | \$ 4,262,830 | |
| Net Cash Flow | \$ (1,140,836) | \$ (2,696,123) | \$ (1,902,057) | \$ (840,061) | \$ (476,038) | \$ (439,560) | \$ (439,560) | \$ (439,560) | \$ (439,560) | \$ (540,802) | \$ (589,537) | \$ (591,892) | \$ (591,892) | \$ (591,892) | \$ (591,892) | |
| Cumulative Cash Flow - After Debt Service | \$ (1,140,836) | \$ (3,836,960) | \$ (5,739,017) | \$ (6,579,078) | \$ (7,055,116) | \$ (7,494,676) | \$ (7,934,236) | \$ (8,373,795) | \$ (8,914,597) | \$ (9,504,134) | \$ (10,096,026) | \$ (10,687,918) | \$ (11,279,810) | \$ (11,871,702) | \$ (12,463,593) | |

| MARKET | | | | | | | | | | | | | | | | |
|---|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Market Name | | | | | | | | | | | | | | | | |
| Total - GRANT & NON-GRANT AREAS | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
| Forecasted Subscribers | | 1,365 | 5,544 | 9,098 | 10,493 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 | 10,661 |
| Revenues | | | | | | | | | | | | | | | | |
| Broadband Retail Revenue | | 230,228 | 2,915,762 | 6,274,987 | 8,209,113 | 8,692,646 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 | 8,734,346 |
| Voice Revenue | | 6,825 | 86,418 | 185,800 | 241,057 | 254,686 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 | 255,862 |
| Installation Revenue | | 136,502 | 417,901 | 355,363 | 139,533 | 16,791 | - | - | - | - | - | - | - | - | - | - |
| Uncollectible Revenue | | (1,270) | (11,628) | (23,174) | (29,205) | (30,478) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) | (30,567) |
| Total Revenue | | \$ 372,284 | \$ 3,408,450 | \$ 6,792,776 | \$ 8,580,499 | \$ 8,933,648 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 | \$ 8,959,641 |
| Expenses | | | | | | | | | | | | | | | | |
| Broadband COGS | | 11,000 | 139,275 | 299,762 | 392,275 | 415,423 | 417,419 | 417,419 | 417,419 | 417,419 | 417,419 | 416,872 | 416,872 | 416,872 | 416,872 | 416,872 |
| Voice COGS | | 478 | 6,049 | 12,992 | 16,874 | 17,828 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 | 17,910 |
| Sales & Marketing Expense - Acquisition | | 170,627 | 522,376 | 444,204 | 174,417 | 20,969 | - | - | - | - | - | - | - | - | - | - |
| Sales & Marketing Expense - Churn Mgt. | | 5,584 | 51,127 | 101,892 | 128,407 | 134,005 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 | 134,395 |
| Customer Support & Billing Expense | | 12,878 | 163,049 | 350,190 | 454,826 | 480,542 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 | 482,759 |
| Corporate Operations Expense | | 22,413 | 205,205 | 408,957 | 515,382 | 537,847 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 | 539,412 |
| Network Maintenance Expense | | 487,677 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 | 547,259 |
| Pole Attachment Expenses | | 39,555 | 161,853 | 263,663 | 298,163 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 | 305,430 |
| Incremental Internal Personnel Expense | | 254,657 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 | 299,000 |
| Depreciation / Amortization Expense | | - | 2,413,259 | 3,092,142 | 3,218,062 | 3,198,106 | 3,098,363 | 2,991,065 | 2,887,483 | 2,787,487 | 2,800,877 | 2,713,538 | 2,619,567 | 2,528,850 | 2,441,274 | 2,358,731 |
| Interest Expense | | 572,560 | 1,925,465 | 2,227,816 | 3,020,838 | 3,306,560 | 3,181,310 | 3,045,035 | 2,902,057 | 2,826,833 | 2,698,071 | 2,533,449 | 2,357,666 | 2,173,221 | 1,979,667 | 1,776,612 |
| Total Expense | | \$ 1,577,429 | \$ 6,433,917 | \$ 8,047,877 | \$ 9,065,503 | \$ 9,262,989 | \$ 9,023,259 | \$ 8,779,685 | \$ 8,533,126 | \$ 8,357,906 | \$ 8,242,533 | \$ 7,990,026 | \$ 7,720,271 | \$ 7,445,109 | \$ 7,163,999 | \$ 6,876,381 |
| Operating Income | | \$ (1,205,145) | \$ (3,025,466) | \$ (1,255,101) | \$ (505,005) | \$ (329,343) | \$ (63,618) | \$ 179,955 | \$ 426,515 | \$ 601,735 | \$ 717,108 | \$ 969,615 | \$ 1,239,370 | \$ 1,514,532 | \$ 1,795,642 | \$ 2,083,260 |
| Cumulative Operating Income | | \$ (1,205,145) | \$ (4,230,611) | \$ (5,485,713) | \$ (5,990,717) | \$ (6,320,060) | \$ (6,383,678) | \$ (6,203,723) | \$ (5,777,207) | \$ (5,175,472) | \$ (4,458,365) | \$ (3,488,749) | \$ (2,249,379) | \$ (734,848) | \$ 1,060,794 | \$ 3,144,054 |
| EBITDA | | \$ (632,585) | \$ 1,313,257 | \$ 4,064,857 | \$ 5,733,895 | \$ 6,175,323 | \$ 6,216,055 | \$ 6,216,055 | \$ 6,216,055 | \$ 6,216,055 | \$ 6,216,055 | \$ 6,216,602 | \$ 6,216,602 | \$ 6,216,602 | \$ 6,216,602 | \$ 6,216,602 |
| EBITDA % | | -170% | 39% | 60% | 67% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% | 69% |
| Taxes | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash Flow | | (1,205,145) | (612,208) | 1,837,041 | 2,713,057 | 2,868,764 | 3,034,745 | 3,171,021 | 3,313,998 | 3,389,223 | 3,517,984 | 3,683,153 | 3,858,937 | 4,043,381 | 4,236,916 | 4,439,991 |
| Cumulative Cash Flow | | \$ (1,205,145) | \$ (1,817,353) | \$ 19,688 | \$ 2,732,745 | \$ 5,601,509 | \$ 8,636,254 | \$ 11,807,275 | \$ 15,121,273 | \$ 18,510,495 | \$ 22,028,480 | \$ 25,711,633 | \$ 29,570,570 | \$ 33,613,951 | \$ 37,850,867 | \$ 42,290,857 |
| | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
| Debt Service | \$ 19,191,077 | \$ 854,159 | \$ 3,243,538 | \$ 3,777,057 | \$ 5,266,761 | \$ 5,963,401 | \$ 5,967,655 | \$ 5,967,655 | \$ 5,967,655 | \$ 6,068,896 | \$ 6,117,632 | \$ 6,120,534 | \$ 6,120,534 | \$ 6,120,534 | \$ 6,120,534 | \$ 6,120,534 |
| Net Cash Flow | | \$ (1,486,744) | \$ (1,930,281) | \$ 287,800 | \$ 467,134 | \$ 211,922 | \$ 248,401 | \$ 248,401 | \$ 248,401 | \$ 147,159 | \$ 98,424 | \$ 96,069 | \$ 96,069 | \$ 96,069 | \$ 96,069 | \$ 96,069 |
| Cumulative Cash Flow - After Debt Service | | \$ (1,486,744) | \$ (3,417,025) | \$ (3,129,225) | \$ (2,662,091) | \$ (2,450,169) | \$ (2,201,768) | \$ (1,953,368) | \$ (1,704,967) | \$ (1,557,808) | \$ (1,459,384) | \$ (1,363,316) | \$ (1,267,247) | \$ (1,171,179) | \$ (1,075,110) | \$ (979,042) |

Phase III – Low Density, Grant Eligible Areas



Phase III Builds – Aqua Shaded Areas

Very low density

Very high CAPEX per customer costs

Will require significant grant funding to enable a sustainable business case.

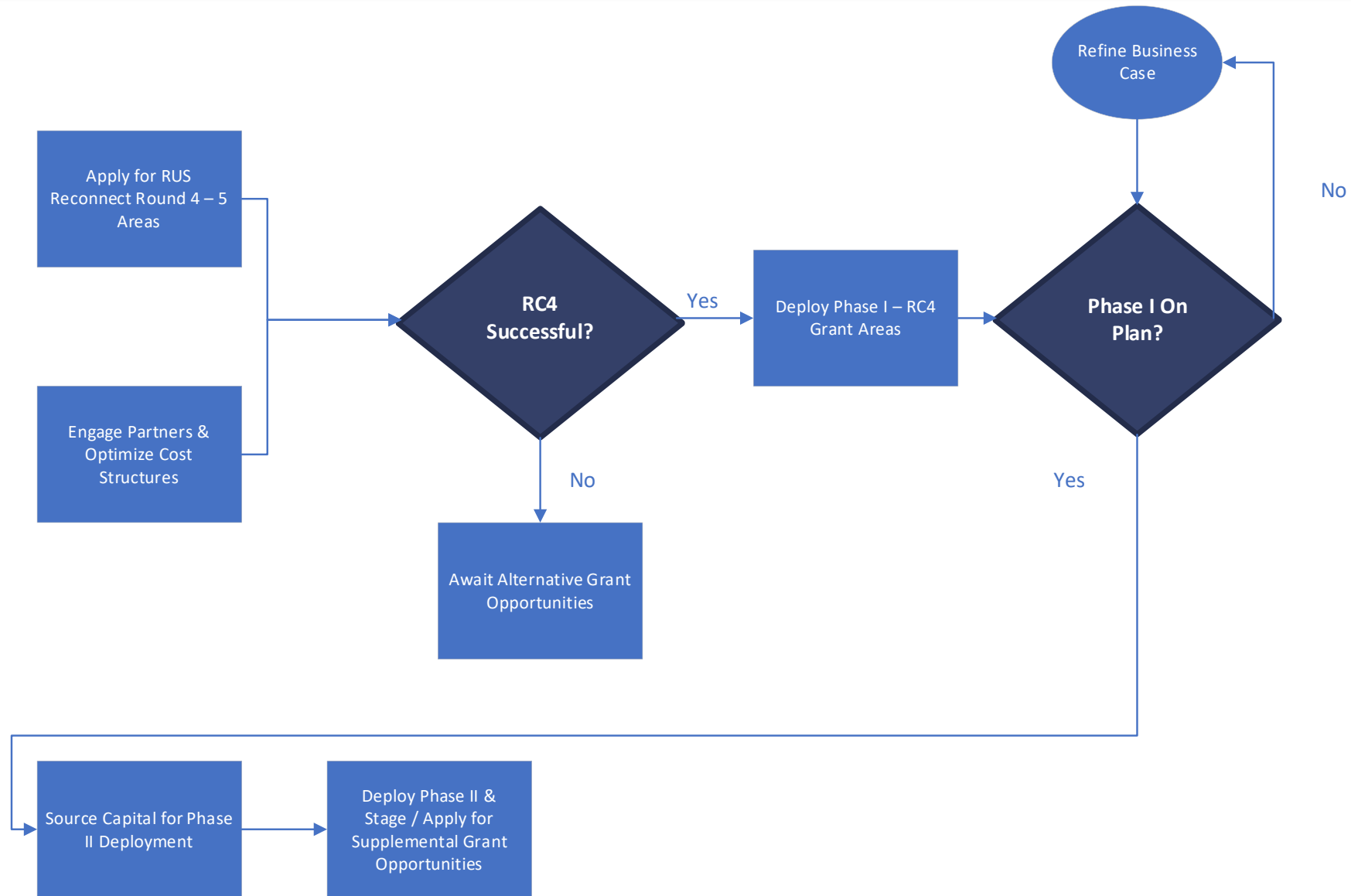
Extension of service must await availability of additional funding:

State Grants

Reconnect Round 5

BEAD (\$42.5B)

Recommended Tactical Approach to Pursuing County-Wide Broadband Deployment



Keeping Options Open...

Option 1

Alachua Deploys Network
and Provides Services to its
Citizenry

Option 2*

Alachua Deploys Network
and Leases Capacity to
Existing Retail Internet
Service Providers (ISP's)

Option 3*

Alachua Partners With ISP to
Channel ARPA Dollars and
Grant Proceeds to ISP Who
Builds Network and Offers
Services

Ultimate path can change as the process plays out. JSI has orchestrated “evolving” situations / relationships.

* Any modifications to stature / positioning must be compliant with program rules.

Questions, Thoughts, Observations?