

City of Lucas, Texas
Fiber Project Analysis: Scenario 4 Final Magellan Recommendation
July 29, 2020

A	B	C	D	E	F	G	H	I	J	L	M	N	O	P
FYE (9/30)	\$11,325,000 Plant and Facilities	\$1,800,000 Working Capital	\$3,470,000 Network Equipment	\$2,595,000 Home Equipment	\$19,190,000 Total ⁽¹⁾	Revenues ⁽²⁾	Operating Expenses (2)	Operating Income (G-H) ⁽²⁾	Capital Expenditures ⁽³⁾	Use of Working Capital (4)	Available for Debt Service (I+J+K+L)	Less: Debt Service (F)	Surplus / (Deficit) (M+N)	Cumulative Surplus / (Deficit) ⁽⁵⁾
2021							\$ -	\$ -	\$ 711,839		\$ (711,839)	\$ -	\$ (711,839)	\$ (711,839)
2022							345,501	(345,501)	-		(345,501)	-	(345,501)	(1,057,340)
2023	\$ 368,063	\$ 151,956	\$ 407,900	\$ 413,894	\$ 1,341,813	\$ 315,016	1,119,364	(804,348)	-	\$ 1,119,364	315,016	(1,341,813)	(1,026,796)	(2,084,136)
2024	368,063	153,788	407,988	412,844	1,342,681	1,390,812	1,141,788	249,024	-	680,636	929,660	(1,342,681)	(413,021)	(2,497,157)
2025	368,063	150,538	407,750	416,388	1,342,738	2,347,108	1,204,754	1,142,353	-	-	1,142,353	(1,342,738)	(200,384)	(2,697,541)
2026	864,856	152,206	407,188	414,525	1,838,775	2,880,591	1,252,760	1,627,831	-	-	1,627,831	(1,838,775)	(210,944)	(2,908,486)
2027	868,119	153,713	406,300	412,338	1,840,469	3,178,478	1,291,074	1,887,405	-	-	1,887,405	(1,840,469)	46,936	(2,861,550)
2028	865,813	150,138	405,088	414,744	1,835,781	3,278,498	1,324,190	1,954,309	-	-	1,954,309	(1,835,781)	118,527	(2,743,022)
2029	867,938	151,481	403,550	416,663	1,839,631	3,342,938	1,356,559	1,986,379	-	-	1,986,379	(1,839,631)	146,748	(2,596,275)
2030	869,413	152,663	406,606	-	1,428,681	3,409,166	1,389,845	2,019,321	-	-	2,019,321	(1,428,681)	590,640	(2,005,635)
2031	865,319	148,763	404,256	-	1,418,338	3,440,654	1,423,019	2,017,634	-	-	2,017,634	(1,418,338)	599,297	(1,406,338)
2032	865,656	149,781	406,500	-	1,421,938	3,448,874	1,456,057	1,992,817	-	-	1,992,817	(1,421,938)	570,879	(835,459)
2033	865,344	150,638	-	-	1,015,981	3,456,794	1,493,933	1,962,861	-	-	1,962,861	(1,015,981)	946,880	111,421
2034	869,300	151,331	-	-	1,020,631	3,469,142	1,529,017	1,940,124	-	-	1,940,124	(1,020,631)	919,493	1,030,914
2035	867,525	151,863	-	-	1,019,388	3,481,309	1,565,145	1,916,165	-	-	1,916,165	(1,019,388)	896,777	1,927,691
2036	865,100	152,231	-	-	1,017,331	3,490,879	1,602,203	1,888,676	-	-	1,888,676	(1,017,331)	871,345	2,799,036
2037	866,944	152,438	-	-	1,019,381	3,500,149	1,640,328	1,859,821	-	-	1,859,821	(1,019,381)	840,440	3,639,475
2038	867,975	-	-	-	867,975	3,510,547	1,679,577	1,830,970	-	-	1,830,970	(867,975)	962,995	4,602,470
2039	868,194	-	-	-	868,194	3,520,645	1,701,332	1,819,313	-	-	1,819,313	(868,194)	951,119	5,553,590
2040	867,600	-	-	-	867,600	3,530,292	1,742,296	1,787,997	-	-	1,787,997	(867,600)	920,397	6,473,986
2041	866,194	-	-	-	866,194	3,539,640	1,804,200	1,735,440	-	-	1,735,440	(866,194)	869,246	7,343,232
2042	868,894	-	-	-	868,894	3,547,560	1,848,107	1,699,453	-	-	1,699,453	(868,894)	830,559	8,173,791
	15,844,369	2,273,525	4,063,125	2,901,394	25,082,413				711,839	\$1,800,000				

⁽¹⁾ Interest calculated at an assumed rate of 3.25% for illustrative purposes only.

⁽²⁾ Revenue and expense projections from Magellan Advisors proforma contained within their Broadband and Feasibility Study as of July 2020v.5.

⁽³⁾ Capital Expenditure represents unfinanced portion of capital expenditures made prior to debt financings contemplated for February 1, 2022.

⁽⁴⁾ Working capital from financings (assuming it represents less than 10% of debt proceeds) to be used for operating expenditures and NOT debt service.

⁽⁵⁾ Total shortfall of \$2,840,186 recognized over first 6 years and recovered subsequently over the following 6 years shown above. **This analysis does not consider the funding 'Reserve Fund Requirements' as outlined in Magellan's proforma analysis.**