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BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS

2014 JAN 31 A 10:34

ORIGINAL

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

ARIZONA CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF  
RED ROCK TELECOMMUNICATIONS, LLC,  
FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE COMPETITIVE  
INTRASTATE TELECOMMUNICATIONS  
SERVICES IN ARIZONA.

DOCKET NO. T-20890A-13-0298

NOTICE OF FILING  
PRO FORMA FINANCIAL  
STATEMENTS

Red Mountain Telecommunications, LLC, hereby files its pro forma income statement and balance sheet in support of its application in this docket.

RESPECTFULLY submitted this 31<sup>st</sup> day of January, 2014.

BROWNSTEIN HYATT FARBER SCHRECK LLP

Jeffrey W. Crockett, Esq.  
One East Washington Street, Suite 2400  
Phoenix, Arizona 85004  
Attorneys for Red Rock Communications, LLC

ORIGINAL and thirteen (13) copies filed this 31<sup>st</sup> day of January, 2014, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

JAN 31 2014

COPY of the foregoing hand-delivered this 31<sup>st</sup> day of January, 2014, to:

DOCKETED BY

Lyn Farmer, Chief Administrative Law Judge  
Hearing Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

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**Red Rock Telecommunications, LLC**  
**Pro Forma Income Statement**

Month	Year 1	Year 2	Year 3	Year 4	Year5
Flex	294,500	3,161,000	8,317,000	16,875,000	25,997,000
Software	244,000	3,161,000	8,873,000	17,916,000	27,561,000
Cloud	115,000	1,528,000	4,230,000	8,415,000	12,836,000
Bandwidth	193,500	2,340,000	6,684,500	13,590,000	20,914,500
Wholesale	0	2,356,000	7,632,000	18,176,000	31,920,000
Wholesale Install	90,000	558,000	858,000	1,638,000	1,728,000
Co-location	50,000	284,000	817,000	1,712,250	2,885,000
Consulting	0	0	0	0	0
<b>Income</b>	<b>987,000</b>	<b>13,388,000</b>	<b>37,411,500</b>	<b>78,322,250</b>	<b>123,841,500</b>
Flex Network	82,460	885,080	2,328,760	4,725,000	7,279,160
Trunc's	15,777	169,339	387,111	637,282	889,961
Software	97,600	1,264,400	3,549,200	7,166,400	11,024,400
Cloud Network	32,200	427,840	1,184,400	2,356,200	3,594,080
Seats and Service	39,342	522,737	1,319,525	2,344,085	3,402,772
Bandwidth	54,180	655,200	1,871,660	3,805,200	5,856,060
Wholesale	0	1,943,700	6,296,400	14,995,200	26,334,000
Fiber	51,000	204,000	294,920	552,280	518,280
Commissions	132,375	1,379,000	3,684,469	7,679,125	11,334,063
G&A	964,613	2,603,333	6,887,083	9,040,417	9,873,333
Space	0	46,667	739,333	739,333	739,333
SalesForce.com	10,188	26,250	54,375	67,500	61,875
Community Events	3,000	9,200	18,000	19,400	9,400
Utilities	13,401	38,019	90,236	112,672	116,852
Misc	7,943	100,410	278,308	597,068	903,964
Travel	4,000	75,000	204,000	267,500	247,500
Marketing	13,238	167,350	463,847	995,113	1,506,606
Entertainment	5,295	66,940	185,539	398,045	602,643
Office Supplies	3,500	15,000	41,500	49,500	49,500
Legal	100,000	68,000	188,000	238,000	258,000
Professional Services	7,500	44,000	160,000	168,000	162,000
Insurance	85,000	188,500	580,500	858,000	933,500
FICA	73,793	191,390	472,684	653,826	701,314
Debt	162,836	172,752	1,129,529	1,804,576	1,758,822
<b>Cost</b>	<b>1,959,240</b>	<b>11,264,107</b>	<b>32,409,379</b>	<b>60,269,721</b>	<b>88,157,418</b>
<b>EBITDA</b>	<b>-972,240</b>	<b>2,123,893</b>	<b>5,002,121</b>	<b>18,052,529</b>	<b>35,684,082</b>

# Red Rock Telecommunications, LLC.

November 30, 2013

## Internal Balance Sheet

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### Assets:

#### Current Assets

Cash and Cash Equivalents	\$49,554.82
Prepaid Expenses and Other Assets	\$246,795.18
Accounts Receivable	\$100,000.00

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Total Current Assets	\$396,350.00
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#### Other Assets

Fixed Assets	\$3,650.00
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Total Assets	\$400,000.00
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### Liabilities

#### Current Liabilities

Accounts Payable	\$150,000.00
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Total Current Liabilities	\$150,000.00
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Long Term Liabilities	\$0.00
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Total Liabilities	\$150,000.00
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#### Equity

Commons Stock	\$250,000.00
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Retained Earnings	\$0.00
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Total Equity	\$250,000.00
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Total Liabilities & Equity	\$400,000.00
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