

# ROCKISLAND

Q3 Review &  
2022-2027

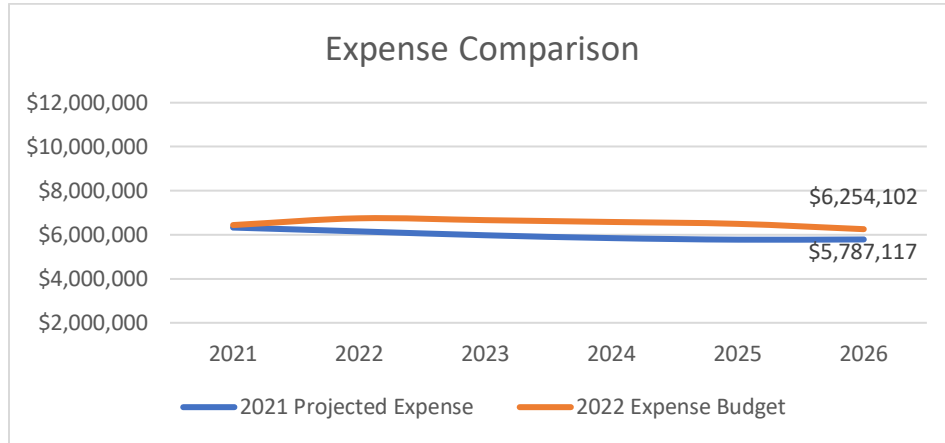
Rock Island Business Plan

November 2021

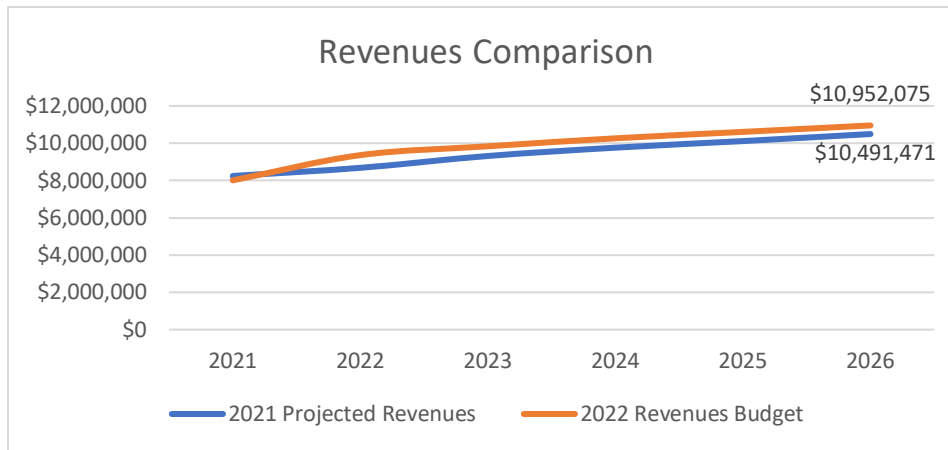
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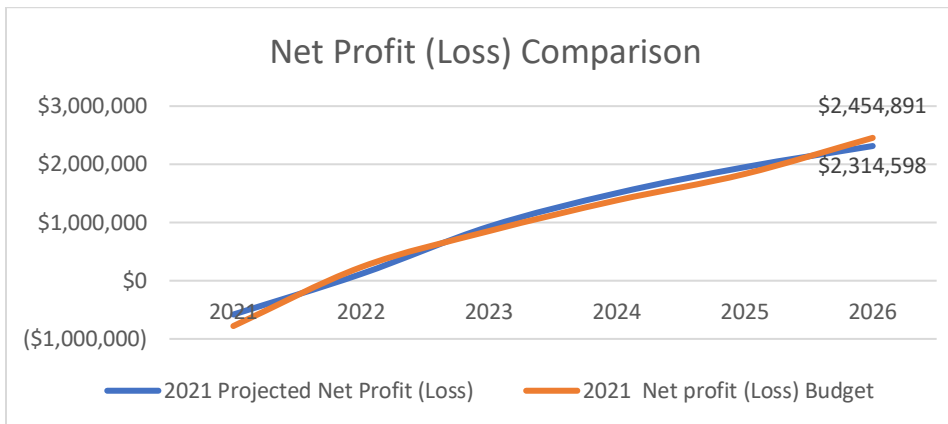
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Total Plan Expense Change 2021-'26 = INCREASE \$3.3M



Total Plan Revenue Change 2021-'26 = INCREASE \$2.4M

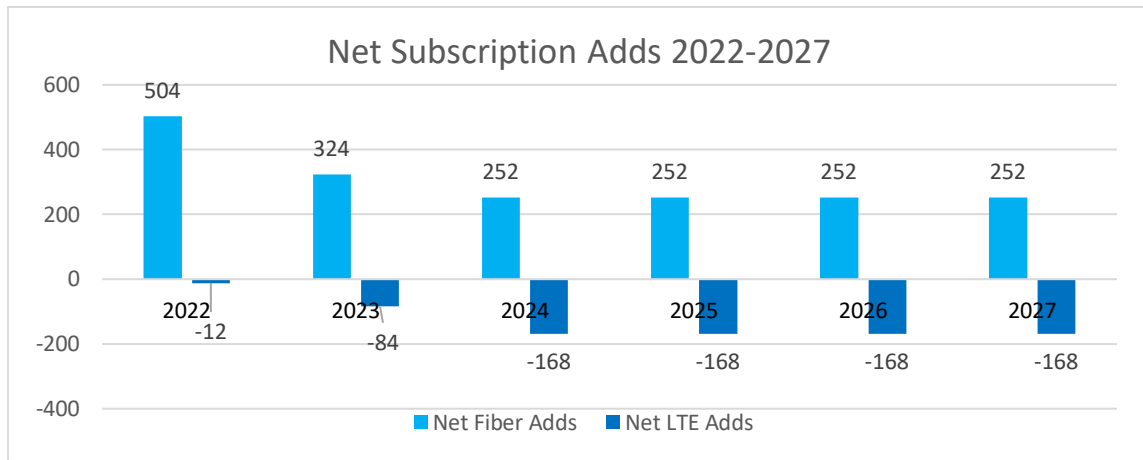


Total Plan Net Profit (Loss) Change 2021-'26 = DOWN \$257k

# 2022-2027 Business Plan

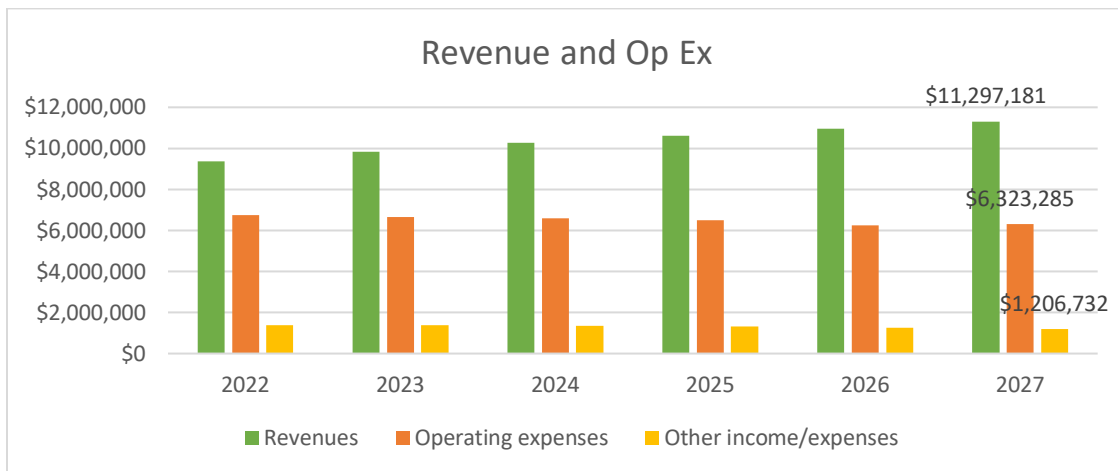
## Onboarding Goals 2022-2027

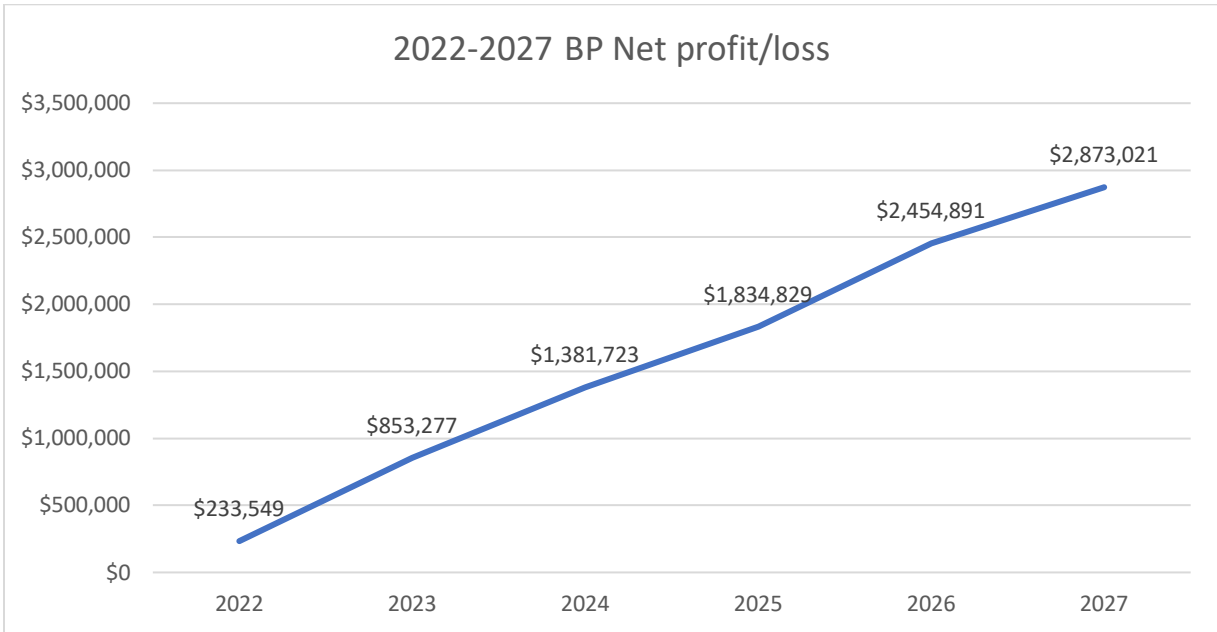
### Onboarding



### Revenue and Expense

Baseline services will continue to be the staple of Rock Island revenue streams, with additional support from the developing Business Services offerings and support work for our partner T-Mobile.



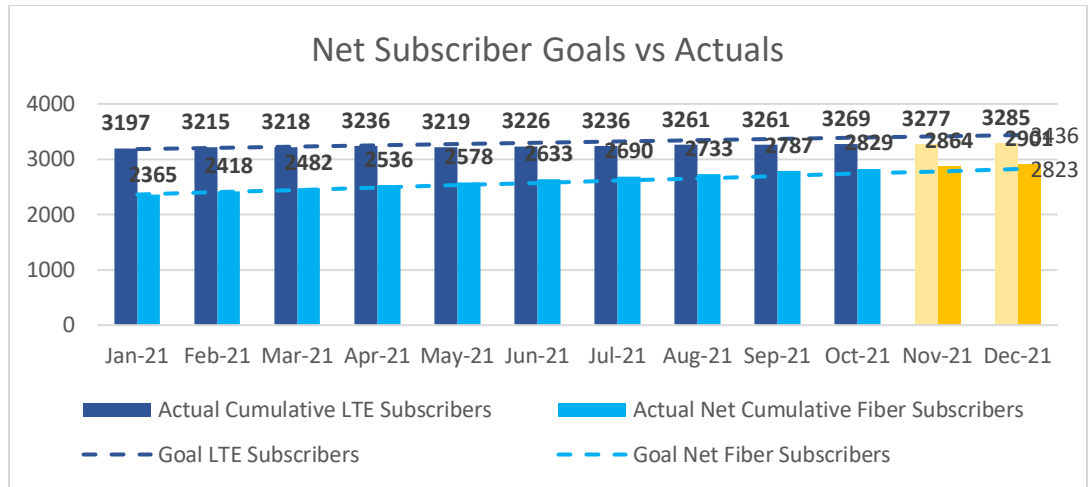
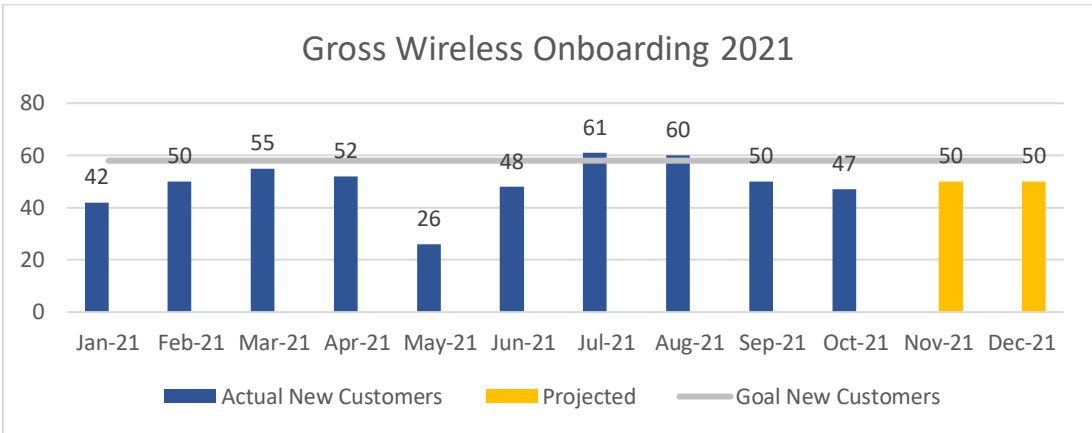
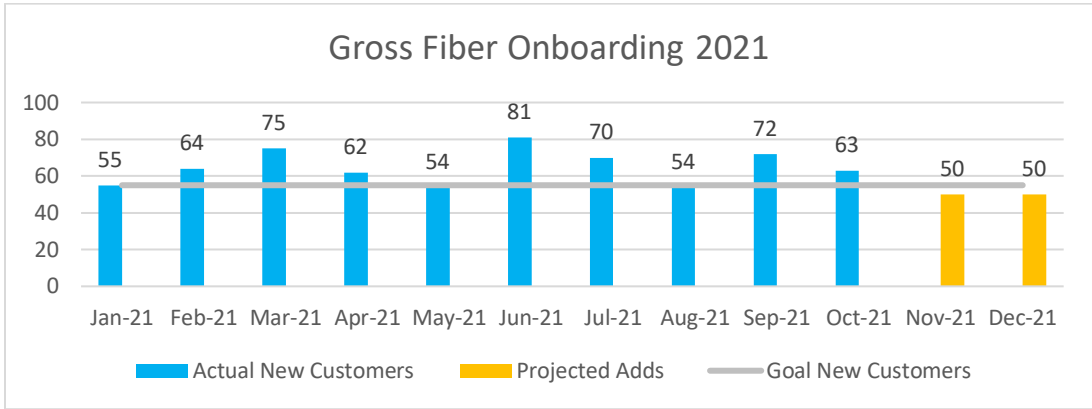


## 2022-2027 Income Statement

<b>RIC FY '22 - '27 Working Budget - Profit &amp; Loss (Budget)</b>							
	2022	2023	2024	2025	2026	2027	Total
	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>Revenues</b>	\$9,360,267	\$9,834,074	\$10,262,715	\$10,607,256	\$10,952,075	\$11,297,181	<b>\$62,313,568</b>
<b>Cost of Revenues</b>	\$996,179	\$923,557	\$951,674	\$971,443	\$991,816	\$894,143	<b>\$5,728,811</b>
<b>Gross profit</b>	<b>\$8,364,088</b>	<b>\$8,910,517</b>	<b>\$9,311,041</b>	<b>\$9,635,814</b>	<b>\$9,960,259</b>	<b>\$10,403,038</b>	<b>\$56,584,757</b>
<b>Gross profit %</b>	89.36%	90.61%	90.73%	90.84%	90.94%	92.09%	<b>90.81%</b>
<b>Operating expenses</b>	\$6,747,942	\$6,664,305	\$6,581,546	\$6,495,645	\$6,254,102	\$6,323,285	<b>\$39,066,825</b>
<b>Operating profit/loss</b>	<b>\$1,616,146</b>	<b>\$2,246,212</b>	<b>\$2,729,496</b>	<b>\$3,140,169</b>	<b>\$3,706,157</b>	<b>\$4,079,753</b>	<b>\$17,517,933</b>
<b>Other income/expenses</b>	\$1,382,597	\$1,392,935	\$1,347,773	\$1,305,340	\$1,251,266	\$1,206,732	<b>\$7,886,643</b>
<b>Net profit/loss</b>	<b>\$233,549</b>	<b>\$853,277</b>	<b>\$1,381,723</b>	<b>\$1,834,829</b>	<b>\$2,454,891</b>	<b>\$2,873,021</b>	<b>\$9,631,289</b>
<b>Interest</b>	\$1,148,420	\$1,142,221	\$1,086,129	\$1,025,746	\$960,445	\$898,119	<b>\$6,261,080</b>
<b>Taxes</b>	\$275,870	\$297,407	\$313,337	\$331,287	\$342,514	\$360,306	<b>\$1,920,720</b>
<b>EBIT</b>	<b>\$1,657,839</b>	<b>\$2,292,905</b>	<b>\$2,781,189</b>	<b>\$3,191,862</b>	<b>\$3,757,850</b>	<b>\$4,131,446</b>	<b>\$17,813,090</b>
<b>Depreciation/Amortization</b>	\$1,777,356	\$1,608,452	\$1,411,015	\$1,215,809	\$874,405	\$844,504	<b>\$7,731,540</b>
<b>EBITDA</b>	<b>\$3,435,194</b>	<b>\$3,901,356</b>	<b>\$4,192,203</b>	<b>\$4,407,671</b>	<b>\$4,632,255</b>	<b>\$4,975,950</b>	<b>\$25,544,630</b>

# 2021 Q3 and Projections for Year End

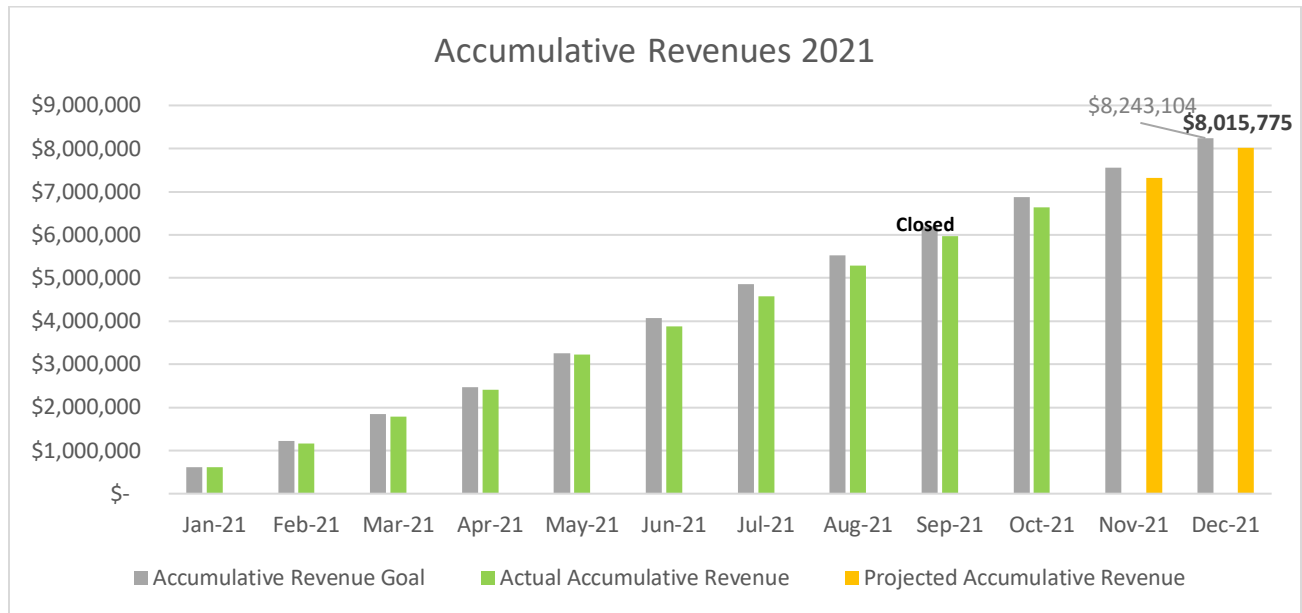
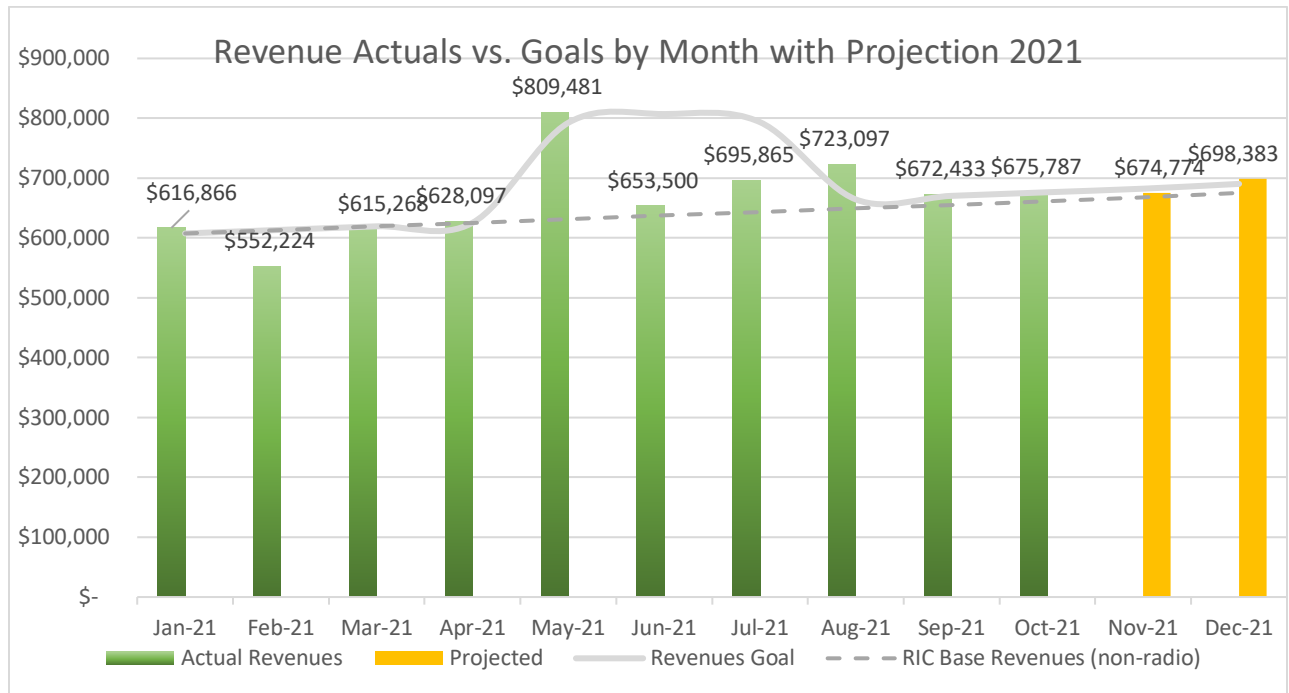
## Gross Onboarding



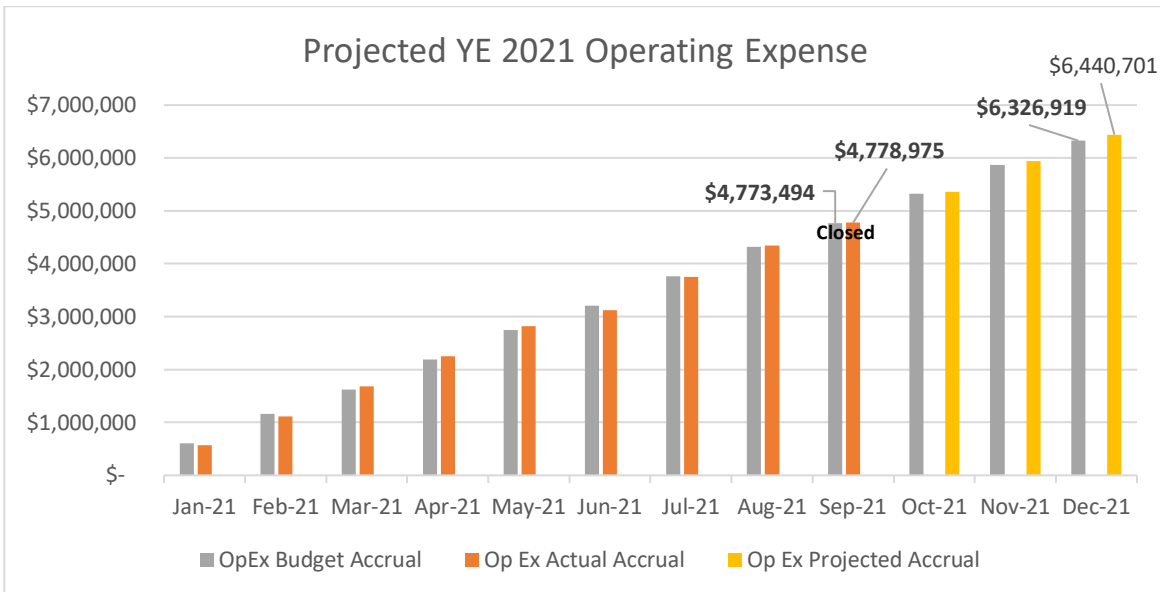
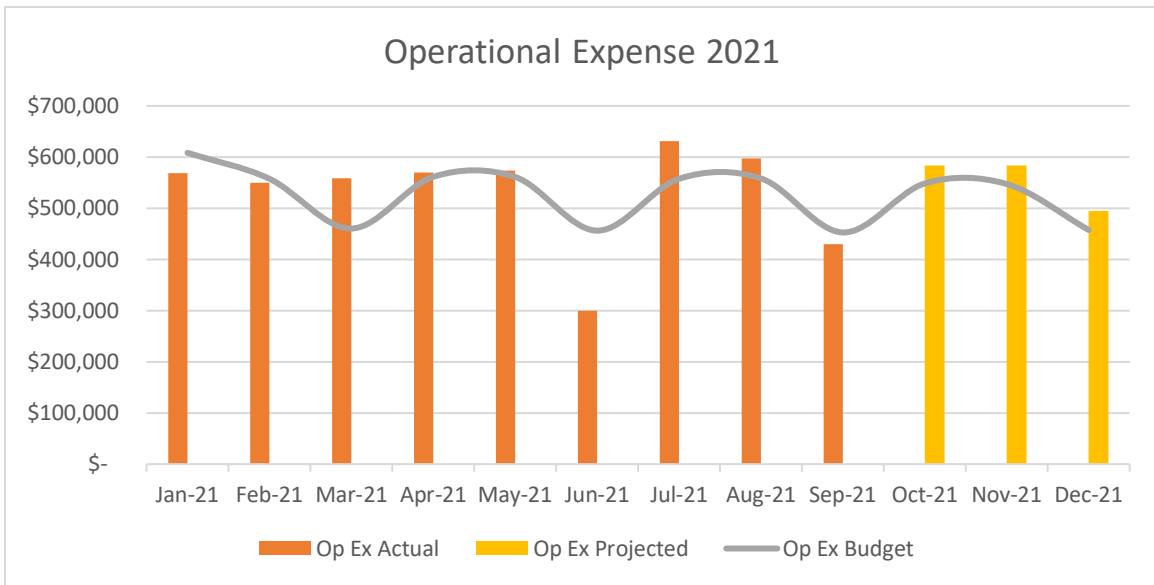




# Revenues



# Expenses



## 2020 Q3 Income Statement

	Quarter To Date 09/30/2021			Year To Date 09/30/2021		
	Actual	Budget	QTD Budget Variance	Actual	Budget	YTD Budget Variance
<b>▼ Operating Revenues</b>						
<b>▼ Broadband Services</b>						
▶ Fiber	1,020,302	940,850	79,452	2,811,594	2,708,821	102,773
▶ Wireless	663,531	676,244	(12,713)	1,929,238	1,986,599	(57,361)
▶ DSL	504	37,046	(36,543)	19,435	118,230	(98,795)
▶ IT Services	224,352	183,900	40,453	613,842	540,360	73,482
▶ Other Revenues	182,706	290,269	(107,563)	592,725	839,972	(247,247)
Total Operating Revenues	2,091,395	2,128,309	(36,914)	5,966,834	6,193,982	(227,148)
<b>▼ Cost of Services</b>						
▶ Broadband Services	179,089	184,348	(5,259)	555,654	541,850	13,804
▶ IT Services	60,747	22,475	38,272	154,885	66,975	87,910
▶ Other	60,239	76,105	(15,866)	164,135	235,085	(70,950)
Total Cost of Services	300,075	282,928	17,147	874,674	843,910	30,764
Total gross profit	1,791,320	1,845,381	(54,061)	5,092,160	5,350,072	(257,912)
<b>▼ Operating Expense</b>						
▶ Labor	854,293	829,085	25,208	2,514,194	2,537,254	(23,060)
▶ General & Administrative	777,719	723,177	54,542	2,227,779	2,184,490	43,290
▶ Selling & Marketing	25,656	16,250	9,406	37,002	48,750	(11,749)
Total Operating Expense	1,657,668	1,568,512	89,156	4,778,975	4,770,494	8,481
<b>▼ Non-Operating Expense</b>						
▶ Interest	283,797	296,492	(12,696)	825,241	883,572	(58,331)
▶ Taxes	60,945	65,333	(4,387)	202,459	193,528	8,931
▶ Other	2,911	1,350	1,561	(130,865)	(39,043)	(91,823)
Total Non-Operating Expense	347,653	363,175	(15,522)	896,835	1,038,057	(141,223)
<b>Net Income (loss)</b>	<b>(214,001)</b>	<b>(86,306)</b>	<b>(127,695)</b>	<b>(583,650)</b>	<b>(458,479)</b>	<b>(125,170)</b>
<b>▼ Profitability Ratios</b>						
▶ Profit Margin	(0.10)	(0.04)	(0.06)	(0.10)	(0.07)	(0.03)
▶ Operating Margin	0.06	0.13	(0.07)	0.05	0.09	(0.04)
▶ EBIT	130,741	275,519	(144,778)	444,051	618,621	(174,570)
▶ EBITDA	606,248.19	718,922.42	(112,674.23)	1,847,216.52	1,973,024.82	(125,808.30)

## 2020 YE Projections

2021 Projected YTD Profit & Loss							
	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Projected Year To Date 12/31/2021		
	Actual	Actual	Actual	Projected	Projected YTD	Master Budget (2021)	Budget Variance
<b>Operating Revenues</b>							
Broadband Services							
Fiber	864,958.00	926,335.00	1,020,302.00	1,072,545.41	3,884,140.41	3,689,578.00	194,562.41
Wireless	625,873.00	639,833.00	663,531.00	672,429.00	2,601,666.00	2,676,888.00	(75,222.00)
DSL	18,340.00	592.00	504.00	0.00	19,436.00	153,098.00	(133,662.00)
<b>Total Broadband Services</b>	<b>1,509,171.00</b>	<b>1,566,760.00</b>	<b>1,684,337.00</b>	<b>1,744,974.41</b>	<b>6,505,242.41</b>	<b>6,519,564.00</b>	<b>(14,321.59)</b>
IT Services	158,173.00	231,317.00	224,352.00	217,620.00	831,462.00	728,040.00	103,422.00
Other Revenues	117,016.00	293,002.00	182,706.00	78,727.71	671,451.71	995,501.00	(324,049.29)
<b>Total Operating Revenues</b>	<b>1,784,360.00</b>	<b>2,091,079.00</b>	<b>2,091,395.00</b>	<b>2,041,322.12</b>	<b>8,008,156.12</b>	<b>8,243,105.00</b>	<b>(234,948.88)</b>
<b>Cost of Services</b>							
Broadband Services	184,626.00	191,939.00	179,089.00	165,786.00	721,440.00	726,269.15	(4,829.15)
IT Services	22,986.00	71,151.00	60,747.00	21,975.00	176,859.00	88,950.00	87,909.00
Other	51,350.00	52,547.00	60,239.00	41,400.00	205,536.00	283,685.00	(78,149.00)
<b>Total Cost of Services</b>	<b>258,962.00</b>	<b>315,637.00</b>	<b>300,075.00</b>	<b>229,161.00</b>	<b>1,103,835.00</b>	<b>1,098,904.15</b>	<b>4,930.85</b>
<b>Total gross profit</b>	<b>1,525,398.00</b>	<b>1,775,442.00</b>	<b>1,791,320.00</b>	<b>1,812,161.12</b>	<b>6,904,321.12</b>	<b>7,144,200.85</b>	<b>(239,879.73)</b>
<b>Operating Expense</b>							
Labor	916,906.00	742,995.00	854,293.00	862,944.54	3,377,138.54	3,350,138.72	26,999.82
General & Administrative							
Depreciation & Amortization	447,793.00	479,866.00	475,507.00	466,987.39	1,870,153.39	1,790,571.28	79,582.11
Licenses, Subscriptions, & Dues	92,985.00	107,840.00	98,112.00	124,365.79	423,302.79	339,708.02	83,594.77
Other (Insurance, Office, etc...)	45,541.00	34,157.00	36,503.00	33,861.50	150,062.50	165,313.31	(15,250.81)
Rent	43,258.00	40,995.00	41,170.00	43,966.00	169,389.00	164,080.00	5,309.00
Repairs, Maintenance, Auto	34,242.00	17,252.00	65,370.00	30,960.00	147,824.00	151,440.00	(3,616.00)
Professional Fees (Legal, Audit, etc...)	34,105.00	25,205.00	20,128.00	27,375.00	106,813.00	99,600.00	7,213.00
Travel & Transportation	10,628.00	14,287.00	6,282.00	19,717.00	50,914.00	60,868.00	(9,954.00)
Telephone	12,524.00	5,965.00	11,705.00	10,000.00	40,194.00	36,004.00	4,190.00
Utilities	8,129.00	6,571.00	7,513.00	10,800.00	33,013.00	43,200.00	(10,187.00)
Tools & Equipment	26,522.00	(37,804.00)	15,429.00	14,499.00	18,646.00	57,996.00	(39,350.00)
<b>Total General &amp; Administrative</b>	<b>755,727.00</b>	<b>694,334.00</b>	<b>777,719.00</b>	<b>782,531.67</b>	<b>3,010,311.67</b>	<b>2,908,780.61</b>	<b>101,531.06</b>
Selling & Marketing							
Marketing & Advertising	4,893.00	6,452.00	25,656.00	16,250.01	53,251.01	65,000.04	(11,749.03)
<b>Total selling &amp; marketing</b>	<b>4,893.00</b>	<b>6,452.00</b>	<b>25,656.00</b>	<b>16,250.01</b>	<b>53,251.01</b>	<b>65,000.04</b>	<b>(11,749.03)</b>
<b>Total Operating Expense</b>	<b>1,677,526.00</b>	<b>1,443,781.00</b>	<b>1,657,668.00</b>	<b>1,661,726.23</b>	<b>6,440,701.23</b>	<b>6,323,919.37</b>	<b>116,781.86</b>
<b>Non-Operating Expense</b>							
Interest	261,649.00	279,796.00	283,797.00	281,804.37	1,107,046.37	1,176,292.79	(69,246.42)
Taxes	74,559.00	66,955.00	60,945.00	62,911.01	265,370.01	259,717.50	5,652.51
Other	(130,045.00)	(3,732.00)	2,911.00	1,350.00	(129,516.00)	(37,692.86)	(91,823.14)
<b>Total Non-Operating Expense</b>	<b>206,163.00</b>	<b>343,019.00</b>	<b>347,653.00</b>	<b>346,065.38</b>	<b>1,242,900.38</b>	<b>1,398,317.43</b>	<b>(155,417.05)</b>
<b>Net Income (loss)</b>	<b>(358,291.00)</b>	<b>(11,358.00)</b>	<b>(214,001.00)</b>	<b>(195,630.49)</b>	<b>(779,280.49)</b>	<b>(578,035.95)</b>	<b>(201,244.54)</b>