November 27, 2024

Via UPS and Email
stephanie.delarosa@puc.ri.gov

Stephanie De La Rosa
Commission Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

RE: Application of Netspeed LLC d/b/a GoNetspeed to transact as a provider of Telecommunications Services in the State of Rhode Island

Dear Ms. De La Rosa:

On behalf of Netspeed LLC d/b/a GoNetspeed ("the Applicant"), please find enclosed for filing an original and three (3) copies of the above-referenced Application, and a check in the amount of $300.00 made payable to the State of Rhode Island for the filing fee.

Please note that the Applicant deems certain information set forth in Exhibit B to the application to be proprietary and confidential as it consists of highly sensitive financial information regarding the Applicant's operations. Disclosure of such information to the Applicant's competitors and/or potential competitors may prove harmful to the Applicant. In accordance with Rule 1.3(H)(3) of the Commission's Rules of Practice and Procedure the Applicant requests confidential treatment of Exhibit B. A public, redacted version of Exhibit B is included with this application. Additionally, an unredacted copy of Exhibit B is being filed herewith in a separate sealed envelope marked "CONFIDENTIAL."

Please date-stamp the extra copy of this letter and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

Amy Grohman

Amy Grohman
Regulatory Specialist

RHODE ISLAND PUBLIC UTILITIES COMMISSION
89 Jefferson Boulevard
Warwick, RI 02888

In support of its application to transact as a provider of Class I and Class VI telecommunications services in the state of Rhode Island, the Applicant submits the following Statement of Business Operations:

A. Corporate name, complete address, telephone/fax numbers, email address:

Netspeed LLC d/b/a GoNetspeed
777 Canal View Blvd.
Suite 600
Rochester, NY 14623
Phone: (207) 631-4110
Fax: (207) 992-0407
Email: regulatory@gonetspeed.com

B. Local Company name, complete address telephone/fax numbers, email address:

Netspeed LLC d/b/a GoNetspeed
Phone: (207) 631-4110
Fax: (207) 992-0407
Email: regulatory@gonetspeed.com

New York:	777 Canal View Blvd. Suite 600 Rochester, NY 14623
Maine:	56 Campus Drive New Gloucester, ME 04260
Connecticut:	20 New Park Drive Unit #1 Berlin, CT 06037

C. Business locations:

Applicant does not have a business office in the State of Rhode Island at this time. Applicant will manage its Rhode Island operations from regional offices in New York, Connecticut and Maine. Applicant will notify the Commission if it opens a business office in the State of Rhode Island in the future.

D. Service agent, complete address, telephone/fax numbers, email address:

Cogency Global
222 Jefferson Boulevard
Warwick, RI 02888
Phone: 866-621-3524
Email: statrep@cogencyglobal.com

E. Attorney of record, complete address, telephone/fax numbers, email address: N/A

F. Corporate officers and major stockholders or partners holding a ten percent or greater equity interest:

President: Richard Clark
56 Campus Drive
New Gloucester, ME 04260

Treasurer: Anna Reynolds
56 Campus Drive
New Gloucester, ME 04260

Secretary: Trina Bragdon
396 Griffin Road, Suite 110
Bangor, ME 04401

No individual holds a ten percent or greater equity interest.

G. General description of operations:

Applicant seeks to provide Class I telecommunications services (and to the extent not encompassed by an authorization as a Class I provider, authorization to provide Class VI telecommunications services), including, but not limited to full facilities-based fiber optic internet and VoIP services to residential and business customers.

H. Description, in detail, of the customer service organization to be employed in serving carriers and end users:

Applicant has a team of customer service representatives that are available Monday – Friday 8:00 AM – 5:00 PM Eastern by calling 1 (855) 891-7291. Outside of business hours customers may leave a message for customer service that will be returned on the next business day. Customers may also connect with customer service representatives via live chat during business hours. Customers may also contact customer service via email or through a web-based contact form. All customer service representatives are located in Maine, New York, Missouri, or Alabama, and are employed by the Applicant.

I. Customer service contact, complete address, telephone/fax numbers, email address:

Applicant's toll free customer service number is 855-891-7291. In addition, customers may reach Applicant via email at ResidentialCS.NNY@gonetspeed.com or through the website (contact form/live chat) at https://www.gonetspeed.com/contact/ .

The person responsible for customer service is:
Ryan Hibbard
Director, Customer Service
777 Canal View Blvd., Suite 600
Rochester, NY 14623
Phone: (207) 688-8850
Email: ryan.hibbard@gonetspeed.com

Customer complaints can be directed to:
Lauren Harmon
Customer Advocacy & Continuous Improvement Manager
777 Canal View Blvd., Suite 600
Rochester, NY 14623
Phone: (585) 978-8882
Email: lauren.harmon@gonetspeed.com

J. Regulatory contact person, complete address, telephone/fax numbers, email address:

Amy Grohman
56 Campus Drive
New Gloucester, ME 04210
Phone: (207) 478-1052
Fax: (207) 992-0407
Email: amy.grohman@gonetspeed.com & regulatory@gonetspeed.com

K. Company website URL, if available:

www.gonetspeed.com

1. Authorization from the Rhode Island Secretary of State to do business in Rhode Island.

See Exhibit A – Certificate of Good Standing

2. Financial Statements

See Exhibit B (Confidential)

3. Filing Fee

Check enclosed in the amount of $300.00, payable to “State of Rhode Island”

State of Rhode Island
Department of State | Office of the Secretary of State
Gregg M. Amore, *Secretary of State*

LONG FORM CERTIFICATE OF GOOD STANDING

I, Gregg M. Amore, Secretary of State and custodian of the seal and corporate records of the State of Rhode Island, hereby certify that:

Netspeed LLC

is a Limited Liability Company formed under the laws of **NEW YORK**

that qualified to conduct business in this state on **October 02, 2024.** I further certify as of the date of this certificate the attached summary is an accurate description of all known filings made in this office by the above-named entity.

I further certify that revocation proceedings are not pending; a certificate of withdrawal has not been filed; all annual reports are of record and the company is active and in good standing with this office. This certificate is not to be considered as a notice of the company's tax status, financial condition or business practices; such information is not available from this office.

SIGNED and SEALED on

October 08, 2024

Secretary of State

Certificate Number: 24100034660

Verify this Certificate at: http://business.sos.ri.gov/CorpWeb/Certificates/Verify.aspx

Processed by: dantonelli

Long Form Good Standing Summary For

Netspeed LLC

IT IS FURTHER CERTIFIED that no amendments have been filed in this office as of this date.

Verify this Certificate at: http://business.sos.ri.gov/CorpWeb/Certificates/Verify.aspx
Processed by: dantonelli

REDACTED FOR DISCLOSURE

Future Fiber Parent, L.P. and Subsidiaries

Consolidated Financial Report
December 31, 2023

REDACTED FOR DISCLOSURE

REDACTED FOR DISCLOSURE

RSM

Independent Auditor's Report

RSM US LLP

Board of Directors
Future Fiber Parent, L.P. and Subsidiaries

Opinion
We have audited the consolidated financial statements of Future Fiber Parent, L.P. and Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in members' capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

REDACTED FOR DISCLOSURE

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

RSM US LLP

Boston, Massachusetts
April 1, 2024

FUTURE FIBER PARENT L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands)

REDACTED FOR DISCLOSURE

	As of December 31, 2023	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ [redacted]	$ [redacted]
Accounts receivable, net	[redacted]	[redacted]
Other receivables	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
Property and equipment, net	[redacted]	[redacted]
Goodwill, net	[redacted]	[redacted]
Intangible assets, net	[redacted]	[redacted]
Operating lease right-of-use assets	[redacted]	[redacted]
Investments	[redacted]	[redacted]
Other assets	[redacted]	[redacted]
Total other assets	[redacted]	[redacted]
Total assets	$ [redacted]	$ [redacted]
Liabilities and Members' Capital		
Current liabilities		
Accounts payable	$ [redacted]	$ [redacted]
Accrued expenses and other current liabilities	[redacted]	[redacted]
Current portion of deferred revenue	[redacted]	[redacted]
Current operating lease liabilities	[redacted]	[redacted]
Current finance lease liabilities	[redacted]	[redacted]
Current maturity of long-term notes payable, net of debt issuance costs	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
Deferred tax liability	[redacted]	[redacted]
Deferred revenue, net of current portion	[redacted]	[redacted]
Other liabilities	[redacted]	[redacted]
Long-term operating lease liabilities	[redacted]	[redacted]
Long-term finance lease liabilities	[redacted]	[redacted]
Related party note payable	[redacted]	[redacted]
Long-term notes payable, net of current maturities and debt issuance costs	[redacted]	[redacted]
Total long-term liabilities	[redacted]	[redacted]
Members' capital	[redacted]	[redacted]
Total liabilities and members' capital	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

FUTURE FIBER PARENT L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

REDACTED FOR DISCLOSURE

	Year Ended December 31, 2023	Year Ended December 31, 2022
Revenues	$ [redacted]	$ [redacted]
Operating expenses:		
Cost of services	[redacted]	[redacted]
Selling, general and administrative expenses	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
Loss from operations	[redacted]	[redacted]
Other income (expense), net:		
Interest expense	[redacted]	[redacted]
Loss on extinguishment of debt	[redacted]	[redacted]
Other income	[redacted]	[redacted]
Gain on forgiveness of PPP loan and accrued interest	[redacted]	[redacted]
Total other expense	[redacted]	[redacted]
Loss before income tax benefit	[redacted]	[redacted]
Income tax benefit	[redacted]	[redacted]
Net loss	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

FUTURE FIBER PARENT L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' CAPITAL

(in thousands, except share data)

REDACTED FOR DISCLOSURE

	Class A Interests Outstanding	Total Members' Capital
Balance, December 31, 2021	[redacted]	$ [redacted]
Capital contributions, net of issuance costs	[redacted]	[redacted]
Unit-based compensation	[redacted]	[redacted]
Net loss	[redacted]	[redacted]
Balance, December 31, 2022	[redacted]	[redacted]
Issuance of preferred interests of subsidiary representing a noncontrolling interest, net of discount and issuance costs	[redacted]	[redacted]
Capital contributions, net of issuance costs	[redacted]	[redacted]
Unit-based compensation	[redacted]	[redacted]
Net loss	[redacted]	[redacted]
Balance, December 31, 2023	[redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

FUTURE FIBER PARENT L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

REDACTED FOR DISCLOSURE

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:		
Net loss	$ [redacted]	$ [redacted]
Adjustments to reconcile net loss to cash flows provided by operating activities		
Depreciation	[redacted]	[redacted]
Amortization	[redacted]	[redacted]
Amortization of debt issuance costs	[redacted]	[redacted]
Unit-based compensation	[redacted]	[redacted]
Non-cash lease expense	[redacted]	[redacted]
Change in fair value of interest rate cap	[redacted]	[redacted]
Loss on extinguishment of debt	[redacted]	[redacted]
Forgiveness of PPP Loan and accrued interest	[redacted]	[redacted]
Interest paid-in-kind	[redacted]	[redacted]
Deferred taxes	[redacted]	[redacted]
Provision for doubtful accounts	[redacted]	[redacted]
Loss (gain) on the sale of property and equipment	[redacted]	[redacted]
Changes in operating assets and liabilities		
Accounts receivable and other receivables	[redacted]	[redacted]
Prepaid expenses and other assets	[redacted]	[redacted]
Accounts payable and accrued expenses	[redacted]	[redacted]
Deferred revenue	[redacted]	[redacted]
Other liabilities	[redacted]	[redacted]
Net cash provided by operating activities	[redacted]	[redacted]
Cash flows used in investing activities:		
Acquisition and construction of property and equipment	[redacted]	[redacted]
Proceeds from the sale of property and equipment	[redacted]	[redacted]
Net cash used in investing activities	[redacted]	[redacted]
Cash flows used in financing activities:		
Proceeds from New Credit Facility	[redacted]	[redacted]
Payoff of related party note payable	[redacted]	[redacted]
Proceeds from Old Credit Facility	[redacted]	[redacted]
Principal repayment of Old Credit Facility	[redacted]	[redacted]
Proceeds from related party note payable	[redacted]	[redacted]
Principal repayments of PPP Loan	[redacted]	[redacted]
Payment of contingent consideration	[redacted]	[redacted]
Loan origination costs	[redacted]	[redacted]
Issuance of preferred interests of subsidiary representing a noncontrolling interest, net of discount and issuance cost	[redacted]	[redacted]
Capital contributions, net of issuance costs	[redacted]	[redacted]
Payment of finance lease liabilities	[redacted]	[redacted]
Net cash provided by financing activities	[redacted]	[redacted]
Net increase (decrease) in cash and cash equivalents	[redacted]	[redacted]
Cash and cash equivalents, beginning of year	[redacted]	[redacted]
Cash and cash equivalents, end of year	$ [redacted]	$ [redacted]
Supplemental disclosures of cash flow information:		
Interest paid	$ [redacted]	$ [redacted]
Income taxes (refunded) paid	$ [redacted]	$ [redacted]
Purchases of property and equipment through accounts payable and accrued expenses	$ [redacted]	$ [redacted]
Operating lease liabilities arising from right-of-use assets	$ [redacted]	$ [redacted]
Finance lease liabilities arising from right-of-use assets	$ [redacted]	$ [redacted]

The accompanying notes are an integral part of these consolidated financial statements.

REDACTED FOR DISCLOSURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

1. Nature of Business

Future Fiber Parent, L.P. (together with its consolidated subsidiaries, the "Company") provides a broad range of telecommunication services on a retail and wholesale basis. These services include local and long-distance calling, network access to and from the Company's customers, data transport, digital high-speed internet access, cable and Internet Protocol television, and other telephone-related services. The principal markets for these services are business and residential customers residing in and adjacent to Alabama, Connecticut, Maine, Massachusetts, Missouri, New York, Pennsylvania, Vermont, and West Virginia. The Company offers various communications services that are sold to economically similar customers in a comparable manner of distribution. These consolidated financial statements include the results of Future Fiber Parent, L.P. and its subsidiaries for the years ended December 31, 2023, and 2022.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") to ensure financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("ASC").

The consolidated financial statements include the accounts of Future Fiber Parent, L.P. and its subsidiaries. These include: Future Fiber Holdings, LLC, Future Fiber FinCo, LLC, Lantek Communications, Lantek Fiber, Netspeed Parent, Inc. and its subsidiaries, Ontario Telephone and its subsidiary, Trumansburg Telephone and its subsidiary, and Otelco and its subsidiaries. To the extent a subsidiary is not wholly-owned, any related noncontrolling interests are included as a component of members' capital.

The accompanying consolidated financial statements present the results of operations and cash flows of Future Fiber Parent, L.P. and all the aforesaid subsidiaries after the elimination of all intercompany balances and transactions for the years ended December 31, 2023, and 2022.

Use of Estimates

The Company prepares its consolidated financial statements in accordance with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements.

Significant accounting estimates include the recoverability of goodwill, long-lived assets, determining the incremental borrowing rate, accounting for income taxes, unit-based compensation, revenue recognition, and allowance for credit losses.

Concentration of credit risk and market risk

[redacted]

[redacted]

Regulatory Accounting

[redacted]

[redacted]

Goodwill and Intangible Assets

[redacted]

[redacted]

[redacted]

Revenue Recognition

[redacted]

[redacted]

REDACTED FOR DISCLOSURE

The Company earns revenue from contracts with customers, primarily through the provision of telecommunications and other related offerings. Revenues from the lease of dark fiber are not accounted for under ASC 606. All other revenues are accounted for under ASC 606. The Company recognizes revenues associated with its dark fiber leases on a straight-line basis from the customer acceptance date through the end of the lease term.

The following summary presents revenue disaggregated between revenue recognized on contracts subject to ASC 606 and revenue recognized on contracts that are not within the scope of ASC 606 (in thousands).

	December 31, 2023	December 31, 2022
Revenue recognized on contracts subject to ASC 606	$ [redacted]	$ [redacted]
Revenue recognized on contracts not within the scope of ASC 606	[redacted]	[redacted]
Total revenue	$ [redacted]	$ [redacted]

Local services. Local services revenue for monthly recurring local services is billed in advance to a portion of the Company's customers, and in arrears to the balance of the customers. The Company records revenue for charges that have not yet been invoiced to its customers as unbilled revenue when services are rendered. The Company records revenue billed in advance as deferred revenue and defers recognition until such revenue is earned. Long-distance service is billed to customers in arrears based on actual usage. The Company records unbilled long-distance revenue as unbilled revenue when services are rendered. Unlimited long-distance in bundles is billed at a flat rate and recognized over the period of time the service is provided.

Network access. Network access revenue is derived from several sources. Revenue for interstate access services is received through tariffed access charges filed with the Federal Communications Commission ("FCC"). These access charges are billed by the Company to interstate interexchange carriers and retail voice customers. A portion of the access charge revenue received by the Company is based upon its actual cost of providing interstate access service, plus a return on the investment dedicated to providing that service. The balance of the access charge revenue received by the Company is based upon the nationwide average schedule costs of providing interstate access services. The Company also receives Connect America Fund and Alternative Connect America Cost Model revenues from the Universal Service Administrative Company and National Exchange Carrier Association ("NECA") funding.

Revenue for intrastate access service is received through tariffed access charges billed by the Company to the originating intrastate carrier using access rates filed with states' Public Service or Utility Commissions. Revenues of this nature are received from USAC. Revenue for the intrastate/interLATA access service is received through tariffed access charges. These access charges are billed to the intrastate carriers and are recognized over time as services are rendered. Revenues for interstate access services are based on reimbursement of costs and an allowed rate of return.

[redacted]

[redacted]

The Company identifies its revenue streams with similar characteristics as follows (in thousands) for the years ended:

	December 31, 2023	December 31, 2022
Local services	$ [redacted]	$ [redacted]
Network access	[redacted]	[redacted]
Internet	[redacted]	[redacted]
Transport services	[redacted]	[redacted]
Video and security	[redacted]	[redacted]
Line construction & installs	[redacted]	[redacted]
Total revenues	$ [redacted]	$ [redacted]

Cash and Cash Equivalents

Cash equivalents are high-quality, short-term money market instruments and highly liquid debt instruments with an original maturity of three months or less when purchased.

Accounts Receivable

The Company extends credit to its business and residential customers based on a written credit policy. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is the Company's best estimate for the amount of probable credit losses in the Company's existing accounts receivable. The Company establishes an allowance for credit losses based on factors surrounding the credit risk of specific customers, historical trends, and other information. Receivable balances are reviewed on an aged basis and account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. [redacted]

Property and Equipment

Regulated property and equipment is stated at original cost less accumulated depreciation and any impairment. Expenditures for improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed when incurred. Depreciation of regulated and unregulated property and equipment is computed principally using the straight-line method over estimated useful lives.

Construction in progress is primarily comprised of costs incurred during the process of completing network projects. The company's network infrastructure expenditures are recorded as construction in progress until the network or other asset is placed in service, at which time the asset is transferred to the appropriate asset category.

Long-Lived Assets

The Company reviews its long-lived assets for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount of an asset should be assessed. To determine if impairment exists, the Company estimates the future undiscounted cash flows expected to result from the use of the asset being reviewed for impairment. If the sum of these expected future cash flows is less than the carrying amount of the asset, the Company recognizes an impairment loss in accordance with guidance included in ASC 360, *Property, Plant, and Equipment*. The amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss for the excess of the carrying value over the fair value. No impairment charge was recognized during the years ended December 31, 2023 or 2022.

Advertising Costs

Costs related to advertising are expensed as incurred. [redacted]

Deferred Financing Costs

Deferred financing and loan costs consist of debt issuance costs incurred in obtaining long-term financing, which are amortized using the effective interest method. Amortization of deferred financing and loan costs is recorded as interest expense. Deferred financing and loan costs are presented in the consolidated balance sheets as a direct deduction from the related debt liability. When amendments to debt agreements are considered to extinguish existing debt per guidance included in ASC 470, *Debt*, the remaining deferred financing costs are expensed at the time of amendment.

Leases

The FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). This ASU requires lessees to recognize most leases on the balance sheet. In consideration of whether an agreement contains a lease as defined under ASU 2016-02, the Company answered these three questions; has an asset been identified, is the asset physically distinct, and does the customer have the right to control the asset. The Company determined based on the three-step questions above, the arrangements pertaining to real property building, office facilities, and point of presence locations in Alabama, Connecticut, Maine, Massachusetts, Pennsylvania, and New York are within the scope of ASU 2016-02.

REDACTED FOR DISCLOSURE

In calculating the lease liability, the Company considered the lease term in which the Company would include any periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. The Company evaluated factors that might create an economic incentive to exercise options to extend, including contract, asset, entity and market-based factors. The Company determined that there would be no significant relocation and interruption costs associated with moving to alternative space that would disincentivize a move at renewal; therefore, renewals to extend the lease term are not included in the right-of-use asset and lease liabilities.

A lessee may recognize the lease payments in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The accounting policy election for short-term leases shall be made by class of underlying asset to which the right of use relates. A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. The Company elected to exclude short-term leases from the recognition requirements.

In discounting the liability, ASU 2016-02 indicates that the incremental rate used must be comparable to a rate attributable to a similar amount, for a similar term, and with similar collateral as the assets in the lease. The Company observed that published commercial borrowing rates were generally between 5.0% to 7.0% for loans collateralized by the real estate for terms ranging from 5-10 years.

Noncontrolling Interest

[redacted]

Income Taxes

The Company accounts for income taxes using the asset and liability approach in accordance with guidance included in ASC 740, *Income Taxes* ("ASC 740"). The asset and liability approach requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities using enacted tax rates. Any changes in enacted tax rates or tax laws are included in the provision for income taxes in the period of enactment. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The provision for income taxes consists of an amount for the taxes currently payable and a provision for the tax consequences deferred to future periods.

Interest and penalties related to income tax matters would be recognized in income tax expense. As of December 31, 2023, and 2022, there was no material amount recorded for interest and penalties.

The Company conducts business in multiple jurisdictions and, as a result, one or more subsidiaries file income tax returns in the U.S. federal, various state and local jurisdictions.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted this standard on January 1, 2023, and it did not have a material impact on the consolidated financial statements.

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3. Goodwill and Intangible Assets

The Company amortizes goodwill on a straight-line basis over a period of 10 years. No impairment charge was recognized during the years ended December 31, 2023, or 2022. The Company amortizes intangibles on a straight-line basis over a 10-year period.

Goodwill and Intangible assets are summarized as follows (in thousands):

	December 31, 2023		
	Carrying Value	Accumulated Amortization	Net Book Value
Goodwill	$ [redacted]	$ [redacted]	$ [redacted]
Trade name	[redacted]	[redacted]	[redacted]
Total	$ [redacted]	$ [redacted]	$ [redacted]

	December 31, 2022		
	Carrying Value	Accumulated Amortization	Net Book Value
Goodwill	$ [redacted]	$ [redacted]	$ [redacted]
Trade name	[redacted]	[redacted]	[redacted]
Total	$ [redacted]	$ [redacted]	$ [redacted]

The following tables present historical and expected amortization expense of the existing goodwill and intangible assets as of December 31, 2023 (in thousands):

Aggregate amortization expense for the years ended December 31 (in thousands),

2022	$ [redacted]
2023	[redacted]

Expected amortization expense for the years ending December 31 (in thousands),

2024	$ [redacted]
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
Thereafter	[redacted]
Total	$ [redacted]

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4. Property and Equipment

A summary of property and equipment is shown as follows (in thousands, except estimated life):

	Estimated Life	December 31, 2023	December 31, 2022
Land		$ [redacted]	$ [redacted]
Building and improvements	[redacted]	[redacted]	[redacted]
Outside plant cable, wire and fiber network	[redacted]	[redacted]	[redacted]
Furniture and equipment	[redacted]	[redacted]	[redacted]
Vehicles	[redacted]	[redacted]	[redacted]
Work equipment	[redacted]	[redacted]	[redacted]
Computer software and equipment	[redacted]	[redacted]	[redacted]
Internet equipment	[redacted]	[redacted]	[redacted]
Finance Lease – Dark Fiber	[redacted]	[redacted]	[redacted]
Construction in progress		[redacted]	[redacted]
Total property and equipment		[redacted]	[redacted]
Accumulated depreciation		[redacted]	[redacted]
Net property and equipment		$ [redacted]	$ [redacted]

[redacted]

5. Other Accounts Receivable

Other accounts receivable consists of the following (in thousands) as of:

	December 31, 2023	December 31, 2022
Carrier access bills receivable	$ [redacted]	$ [redacted]
National Exchange Carrier Association receivable	[redacted]	[redacted]
Self-funding insurance credit	[redacted]	[redacted]
Make-ready construction	[redacted]	[redacted]
Other miscellaneous	[redacted]	[redacted]
	$ [redacted]	$ [redacted]

6. Investments

Investments consist of the following (in thousands) as of:

	December 31, 2023	December 31, 2022
Investment in CoBank stock	$ [redacted]	$ [redacted]
Investment in NECA Services, Inc.	[redacted]	[redacted]
Other miscellaneous	[redacted]	[redacted]
	$ [redacted]	$ [redacted]

[redacted]

REDACTED FOR DISCLOSURE

[redacted]

7. Notes Payable

[redacted]

[redacted]

[redacted]

	Current	Long-term	December 31, 2023	December 31, 2022
[redacted].	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
Deferred financing costs	[redacted]	[redacted]	[redacted]	[redacted]
Notes payable, net of debt issuance costs	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

REDACTED FOR DISCLOSURE

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

	Current	Long-term	December 31, 2023	December 31, 2022
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Notes payable, net of debt issuance cost	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]

[redacted]

Maturities of notes payable for the next five years, are as follows (in thousands):

2024	$ [redacted]
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
Total	$ [redacted]

The Company's notes payable agreements are subject to certain financial covenants and restrictions on indebtedness, financial guarantees, business combinations and other related items.

PPP Loan

[redacted]

[redacted]

8. Income Taxes

The components of the benefit from income taxes consist of the following for the years ended December 31, 2023 and 2022 (in thousands):

	2023	2022
Federal income taxes		
Current	$ [redacted]	$ [redacted]
Deferred	[redacted]	[redacted]
	[redacted]	[redacted]
State income taxes		
Current	[redacted]	[redacted]
Deferred	[redacted]	[redacted]
	[redacted]	[redacted]
Total income tax benefit	$ [redacted]	$ [redacted]

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of December 31, 2023 and 2022, are presented below (in thousands):

	December 31, 2023	December 31, 2022
Net deferred tax asset (liability):		
Net operating loss carryforwards	$ [redacted]	$ [redacted]
Depreciation	[redacted]	[redacted]
Intangibles	[redacted]	[redacted]
Accruals and other	[redacted]	[redacted]
Interest limitation carryforward	[redacted]	[redacted]
Less: valuation allowance	[redacted]	[redacted]
Total net deferred tax liability	$ [redacted]	$ [redacted]

[redacted]

[redacted]

9. Employee Benefit Program

[redacted]

10. Leases

Maturities of operating lease liabilities as of December 31, 2023, are as follows (in thousands):

	Leased Real Property and Office Facilities
2024	$ [redacted]
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
Thereafter	[redacted]
Total lease payments	[redacted]
Less: Interest	[redacted]
Present value of lease liabilities	$ [redacted]

Supplemental cash flow information related to operating leases was as follows (in thousands, except years and percentages):

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflow from operating leases	$ [redacted]	$ [redacted]
Weighted-average remaining lease term – operating leases (in years)	[redacted]	[redacted]
Weighted-average discount rate – operating leases	[redacted]	[redacted]

Finance leases consist primarily of dark fiber leases with a lease term of twenty years which is consistent with the useful life of the underlying assets. The finance leased assets are included within property and equipment, net on the accompanying consolidated balance sheets.

Maturities of finance lease liabilities as of December 31, 2023, are as follows (in thousands):

	Finance Leases
2024	$ [redacted]
2025	[redacted]
2026	[redacted]
2027	[redacted]
2028	[redacted]
Thereafter	[redacted]
Total lease payments	[redacted]
Less: interest	[redacted]
Present value of lease liabilities	$ [redacted]

11. Fair Value Measurement

The Company follows ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. The framework that is set forth in this standard is applicable to the fair value measurements where it is permitted or required under other accounting pronouncements.

ASC 820 defines fair value as the exit price, which is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. ASC 820 establishes a three-tier value hierarchy that prioritizes inputs to valuation techniques used for fair value measurement.

- Level 1 consists of observable market data in an active market for identical assets or liabilities.
- Level 2 consists of observable market data, other than that included in Level 1, that is either directly or indirectly observable.
- Level 3 consists of unobservable market data. The input may reflect the assumptions of the Company, not a market participant, if there is little available market data and the Company's own assumptions are considered by management to be the best available information.

Fair Value of Interest Rate Cap Agreement

[redacted]

12. Commitments and Contingencies

[redacted]

13. Members' Capital

[redacted]

REDACTED FOR DISCLOSURE

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

REDACTED FOR DISCLOSURE

[redacted]

	Number of Interests
Nonvested at December 31, 2021	[redacted]
Granted	[redacted]
Cancelled	[redacted]
Vested	[redacted]
Nonvested at December 31, 2022	[redacted]
Granted	[redacted]
Cancelled	[redacted]
Vested	[redacted]
Nonvested at December 31, 2023	[redacted]

[redacted]

14. Related Parties

The Company entered into Promissory Notes with certain Class A Limited Partners that were repaid in 2023. See Note 7 *Notes Payable*.

15. Subsequent Events

The Company has evaluated subsequent events through April 1, 2024, the date which the consolidated financial statements were available to be issued.

There are no other material events that have occurred subsequent to December 31, 2023, that would require adjustment to or disclosure in these consolidated financial statements.