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FPSC - COMMISSION CLERK

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April 5, 2023

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Point Broadband Fiber Holding, LLC Application for Original Authority to Provide Telecommunications Service in the State of Florida

Please find enclosed an original and one (1) copy of the Point Broadband Fiber Holding, LLC Application for Original Authority to Provide Telecommunications Service in the State of Florida. Also enclosed is the required check (number 4185) in the amount of $500. A SASE is enclosed to confirm receipt of this filing.

Questions concerning this filing may be directed to the undersigned on 301-788-6889 or tfirestein@logicomusa.net.

Respectfully submitted,

/s/ *Terri K. Firestein*
Terri K. Firestein
Consultant on behalf of
Point Broadband Fiber Holding, LLC

COM ____
AFD ____
APA ____
ECO ____
ENG ____
GCL ____
IDM 1
CLK ____

Enclosures

10806 Garrison Hollow Road, Clear Spring, MD 21722

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check:
JTS
4/12/23

APPLICATION

This is an application for (check one):

☒ **Original certificate** (new company)

☐ **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate rather than apply for a new certificate.

Please provide the following:

1. Full name of company, including fictitious name(s), that must match identically with name(s) on file with the Florida Department of State, Division of Corporations registration:
   Point Broadband Fiber Holding, LLC

2. The Florida Secretary of State corporate registration number: **M19000006702**
3. F.E.I. Number: **82-5331550**
4. Structure of organization: **Foreign Limited Liability Company**

The company will be operating as a:
(Check all that apply):

☐ Corporation	☐ General Partnership
☐ Foreign Corporation	☐ Foreign Partnership
☒ Limited Liability Company	☐ Limited Partnership
☐ Sole Proprietorship	☐ Other, please specify below:

____

If a partnership, provide a copy of the partnership agreement.

If a foreign limited partnership, proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS). The Florida registration number is: ______________________________

____

5. Who will serve as point of contact to the Commission in regard to the following?

(a) This application:

Name:	**Terri Firestein**
Title:	**Senior Director, Regulatory Compliance - LogicomUSA**
Street Address:	**10806 Garrison Hollow Road**
Post Office Box:	
City:	**Clear Spring**
State:	**Maryland**
Zip:	**21722**
Telephone No.:	**307-788-6889**
Fax No.:	
E-Mail Address:	**tfirestein@logicomusa.net**

(b) Ongoing operations of the company:
(This company liaison will be the point of contact for FPSC correspondence. This point of contact can be updated if a change is necessary but this must be completed at the time the application is filed).

Name:	**Chad Wachter**
Title:	**General Counsel**
Street Address:	**3120 Frederick Road, Suite E**
Post Office Box:	
City:	**Opelika**
State:	**Alabama**
Zip:	**36801**
Telephone No.:	**844-407-6468**
Fax No.:	
E-Mail Address:	**chad.wachter@point-broadband.com**
Company Homepage:	**https://www.point-broadband.com**

(c) Optional secondary point of contact or liaison:
(This point of contact will not receive FPSC correspondence but will be on file with the FPSC).

Name:	**John Kemp**
Title:	**Associate General Counsel**
Street Address:	**3120 Frederick Road, Suite E**
Post Office Box:	
City:	**Opelika**
State:	**Alabama**
Zip:	**36801**
Telephone No.:	**844-407-6468**
Fax No.:	
E-Mail Address:	**john.kemp@point-broadband.com**

6. Physical address for the applicant that will do business in Florida:

Street address:	**3120 Frederick Road, Suite E**
City:	**Opelika**
State:	**Alabama**
Zip:	**36801**
Telephone No.:	**844-407-6468**
Fax No.:	
E-Mail Address:	

7. List the state(s), and accompanying docket number(s), in which the applicant has:

(a) **operated** as a telecommunications company.

- **Point Broadband Fiber Holding, LLC: Tennessee Public Utility Commission - CPCN – Docket #19-00054**
- **Point Broadband Fiber Holding, LLC: Alabama Public Service Commission - CPCN – Docket #32912**
- **Point Broadband Fiber Holding, LLC: Michigan Public Service Commission - CLEC – Case #U-20716**
- **Point Broadband Fiber Holding, LLC: Michigan Public Service Commission - ETC – Case #U-20720**
- **Point Broadband Fiber Holding, LLC: Maryland Public Service Commission - CLEC - Mail Log #228942**
- **Point Broadband Fiber Holding, LLC: New York Public Service Commission – CPCN - Matter #20-02723**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - CLEC – Docket #43116**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - ETC – Docket #43705**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - IXC – Docket #43876**
- **Point Broadband Fiber Holding, LLC: Ohio Public Utilities Commission - CPCN – Case #20-1563-TP-ACE**
- **Sunset Fiber, LLC (doing business in VA as Sunset Fiber (DE), LLC): Virginia Corporation Commission - CPCN – Case #PUR-2018-00094**
- **Sunset Digital Communications, LLC (doing business in VA as Sunset Digital Communications (DE), LLC): Virginia Corporation Commission - CPCN – Case #PUR-2018-00093**

(b) **applications pending** to be certificated as a telecommunications company.

Texas

(c) **been certificated** to operate as a telecommunications company.

- **Point Broadband Fiber Holding, LLC: Tennessee Public Utility Commission - CPCN – Docket #19-00054**

- **Point Broadband Fiber Holding, LLC: Alabama Public Service Commission - CPCN – Docket #32912**
- **Point Broadband Fiber Holding, LLC: Michigan Public Service Commission - CLEC – Case #U-20716**
- **Point Broadband Fiber Holding, LLC: Michigan Public Service Commission - ETC – Case #U-20720**
- **Point Broadband Fiber Holding, LLC: Maryland Public Service Commission - CLEC - Mail Log #228942**
- **Point Broadband Fiber Holding, LLC: New York Public Service Commission – CPCN - Matter #20-02723**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - CLEC – Docket #43116**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - ETC – Docket #43705**
- **Point Broadband Fiber Holding, LLC: Georgia Public Service Commission - IXC – Docket #43876**
- **Point Broadband Fiber Holding, LLC: Ohio Public Utilities Commission - CPCN – Case #20-1563-TP-ACE**
- **Sunset Fiber, LLC (doing business in VA as Sunset Fiber (DE), LLC): Virginia Corporation Commission - CPCN – Case #PUR-2018-00094**
- **Sunset Digital Communications, LLC (doing business in VA as Sunset Digital Communications (DE), LLC): Virginia Corporation Commission - CPCN – Case #PUR-2018-00093**

(d) **been denied authority** to operate as a telecommunications company and the circumstances involved.

Applicant has not been denied authority to operate in any state.

(e) **had regulatory penalties imposed** for violations of telecommunications statutes and the circumstances involved.

Applicant has not had regulatory penalties imposed for violations in any state.

(f) **been involved in civil court proceedings** with another telecommunications entity, and the circumstances involved.

Applicant has not been involved in civil court proceedings in any state.

8. The following questions pertain to the officers and directors. Have any been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings? ☐ Yes ☒ No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates)? ☐ Granted ☐ Denied ☒ Neither

If granted provide explanation and list the certificate holder and certificate number.

____

____

If denied provide explanation.

____

____

(c) an officer, director, and partner in any other Florida certificated telecommunications company? ☐ Yes ☒ No

If yes, give name of company and relationship. If no longer associated with company, give reason why not.

____

____

9. Florida Statute 364.335(1)(a) requires a company seeking a certificate of authority to demonstrate its managerial, technical, and financial ability to provide telecommunications service.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial ability, technical ability, and financial ability. Additional supporting information may be supplied at the discretion of the applicant. For the purposes of this application, financial statements MUST contain the balance sheet, income statement, and statement of retained earnings.*

(a) **Managerial ability**: An applicant must provide resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

Please see Exhibit A.

(b) **Technical ability**: An applicant must provide resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume.

Please see Exhibit A.

(c) **Financial ability**: An applicant must provide financial statements demonstrating financial ability by submitting a balance sheet, income statement, and retained earnings statement. An applicant that has audited financial statements for the most recent three years must provide those financial statements. If a full three years' historical data is not available, the application must include both historical financial data and pro forma data to supplement. An applicant of a newly established company must provide three years' pro forma data. If the applicant does not have audited financial statements, it must be so stated and signed by either the applicant's chief executive officer or chief financial officer affirming that the financial statements are true and correct.

Please see Exhibit B.

10. Where will you officially designate as your place of publicly publishing your schedule a/k/a tariffs or price lists)? (Tariffs or price lists MUST be publicly published to comply with Florida Statute 364.04).

☐ Florida Public Service Commission

☒ Website – Please provide Website address:
https://www.point-broadband.com

☐ Other – Please provide address: ______________________________

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telecommunications companies must pay a regulatory assessment fee. A minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I understand the Florida Public Service Commission's rules, orders, and laws relating to the provisioning of telecommunications company service in Florida.

APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned owner or officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical ability, managerial ability, and financial ability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules, orders and laws.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, ***"Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."***

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

Print Name: Chad Wachter

Title: General Counsel

Telephone No.: 844-407-6468

E-Mail Address: chad.wachter@point-broadband.com

Signature: ______________________ Date: 4/5/23

EXHIBIT A
Managerial & Technical Abilities

Point Broadband Fiber Holding, LLC ("Point") and its subsidiaries, operate fiber-to-the-home /premise networks and offer their customers high speed Internet service and telecommunications service. Point intends to offer telephone service utilizing its geographically redundant Metaswitch, model CH6050 Version 9.3.20., located in Bristol, Virginia at 15022 Lee Highway ("Bristol Metaswitch"). The Bristol Metaswitch is interconnected to the PSTN and Point will seek interconnection agreements with Maryland ILECs as required. ILEC tandems will be utilized for E-911 services, the exchange of local telephone traffic and where applicable the termination of switched access traffic.

The fiber-to-the-home/premise network has fully redundant fiber paths to peering locations in Atlanta and Virginia. Route redundancy, facility protection and disaster recovery are ensured by Point's Network Operations Center. Point utilizes several third-party providers of long distance, toll free and operator services including CenturyLink, Inteliquent, Bandwidth.com, and Toly Digital Networks. Point utilizes a least cost routing system that utilizes multiple carries ranked according to quality of service first and then the wholesale cost for service.

In addition to the Bristol Metaswitch, Point owns a second Metaswitch (model number is VP 3510 Version 8.3.11) located in Opelika, AL and a third Metaswtich located in Duffield, Virginia. The Opelika and Duffield switches are currently being activated. The existing Bristol Metaswitch is sized to provide capacity for the growth anticipated in the Maryland market over the next several years. Point is exploring Metaswitch Network's "switch in the cloud" solution for future growth.

Staff Experience

Todd Holt
CEO
As the former CEO of ITC Capital Partners, President of NASDAQ-traded Knology and President of Synapse, Todd has more than 22 years of experience in the telecommunications sector. As CEO of ITC, Todd was heavily involved in the foundation of Point Broadband, leading the Company since 2017.

Chad Wachter
General Counsel
Chad joined Point Broadband at its founding in 2017 as its General Counsel. Immediately prior, Chad was General Counsel at ITC Capital Partners and held various positions within the ITC family of companies, such as Knology and Powertel. He has 29 years of experience in the telecommunications industry.

Joseph Puckett
Chief Operating Officer
Joseph has over 20 years of experience in the industry. Joseph's primary focus is to expand Point Broadband's super-fast fiber-based broadband network to underserved areas, and to provide solutions that support the "internet of things" throughout customer's homes and businesses. In addition, Joseph and his team are constantly

looking for ways to enhance the Point Broadband customer experience.

Paul Gies
Chief Revenue Officer
For over 28 years, Paul has been a member of multiple senior leadership teams in the telecommunications industry in both the private and public sector. Prior to Point Broadband, Paul led the creation of FiberSouth (a subsidiary of CobbEM) as well as business development, sales, and product management teams at Cbeyond.

David Ficken
Vice President of Strategic Growth
David was a Senior Wholesale Manager at WOW! as well as a National Sales and Marketing Director at Knology, before joining Point Broadband in 2019. With over 30 years of experience in the telecommunications sector, Dave is responsible for Point Broadband's strategic growth initiatives.

Leisa Chastain, SPHR
Vice President of Human Resources
Leisa is responsible for directing a strategic leadership team in the areas of performance management, training and organizational development, compliance and diversity, employment and recruitment, and benefits administration, plus numerous mergers and acquisitions. Leisa was Vice President of Human Resources for Synapse Wireless, an M2M technology services company, and previously Director of Human Resources for Knology, Inc., a publicly held broadband services company. Leisa maintains an SPHR certification and holds a degree in Business Administration from American Intercontinental University.

John Treece
Chief Technology Officer
John has over 26 years of experience in the telecommunications industry. He is an expert for strategic product/network engineering and development. John has extensive leadership experience from former top management mandates at IBASIS as COO, at Knology as CTO, and other technological leadership positions at Syniverse, Level 3 Communications, Comcast, and Juniper.

Nick DeWeese
Chief Financial Officer
Nick has 17 years of industry experience. Before joining the Point Broadband team in 2017, he was an independent Financial Consultant and held various corporate financial leadership positions. Among others, Nick was a VP at WOW! and Director of Financial Planning at Knology.

Tom Ringkamp
Vice President of Fiber Development
Tom has held many different roles in the Cable/Telecom space over the past 30+ years, most recently as VP OSP Construction and Operations for DFS and Senior Director of OSP Construction for the Comcast Central Divisions NET project. He currently is responsible for OSP Construction and PM.

Taylor Nipper
Vice President of Sales and Marketing
Taylor leads the team responsible for overall marketing strategy and execution, product development, sales, marketing communications, B2B marketing strategy and execution, and video programming at Point Broadband. He has extensive experience within the telecommunications space and has been a successful marketing leader with such companies as Comcast Communications, Knology, and Time Warner/Advance Newhouse. He also served as President of 104 Essex LLC, a marketing consulting firm.

EXHIBIT B
Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

Point Broadband Acquisition, LLC and Subsidiaries
For the Periods from October 1, 2021 to December 31, 2021 (Successor)
and January 1, 2021 to September 30, 2021 (Predecessor)
With Report of Independent Auditors

Ernst & Young LLP

EY
Building a better working world

Point Broadband Acquisition, LLC and Subsidiaries

Consolidated Financial Statements

For the Periods from October 1, 2021 to December 31, 2021 (Successor)
and January 1, 2021 to September 30, 2021 (Predecessor)

Contents

2205-4048225

Ernst & Young LLP
Suite 1000
55 Ivan Allen Jr. Boulevard
Atlanta, GA 30308

Tel: +1 404 874 8300
Fax: +1 404 817 5589
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Report of Independent Auditors

The Member
Point Broadband Acquisition, LLC

Opinion

We have audited the consolidated financial statements of Point Broadband Acquisition, LLC and Subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2021 (Successor) and the related consolidated statements of operations and comprehensive loss, members' equity and cash flows for the period from October 1, 2021 through December 31, 2021 (Successor), and for the period from January 1, 2021 through September 30, 2021 (Predecessor), and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 (Successor), and the results of its operations and its cash flows for the period from October 1, 2021 through December 31, 2021 (Successor), and for the period from January 1, 2021 through September 30, 2021 (Predecessor)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.

Report of Other Auditors on Prior Period Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2020 (Predecessor) (not presented herein), were audited by other auditors who expressed an unmodified opinion on those statements on April 27, 2021.

Restatement of Prior Period Financial Statements

As discussed in Note 14 to the consolidated financial statements, the consolidated financial statements as of December 31, 2020 (Predecessor) have been restated to correct the Company's accounting for contingent consideration related to acquisitions. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has elected to change its method for accounting for goodwill in 2021. The Company voluntary elected to no longer apply the accounting alternative for goodwill available to private companies and per ASC 250, has retroactively applied ASC 350 to not amortize goodwill and to perform an annual impairment test. Our opinion is not modified with respect to this matter.

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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 of 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 for one year after the date that the financial statements are 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 of 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.

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.

Ernst + Young LLP

May 25, 2022

Point Broadband Acquisition, LLC and Subsidiaries

Consolidated Balance Sheet

As of December 31, 2021

		Successor
Assets		
Current assets:		
Cash and cash equivalents	$	16,483,485
Accounts receivable, customers – net of allowance of $898,872		4,092,544
Accounts receivable, other		143,728
Prepayments and other		1,670,686
Total current assets		22,390,443
Non-current assets:		
Goodwill		332,685,399
Other intangible assets, net		127,498,333
Other assets		5,416,914
Total non-current assets		465,600,646
Property, plant, and equipment:		
Property, plant, and equipment		259,504,944
Less: accumulated depreciation		(11,280,450)
Net property, plant, and equipment		248,224,494
Total assets	$	736,215,583
Liabilities and member's equity		
Current liabilities:		
Accounts payable	$	11,704,444
Accrued liabilities		15,655,451
Customer deposits and other prepayments		558,187
Current portion of unearned revenue		2,219,031
Current portion of notes payable		3,736,000
Current portion of capital lease obligations		348,308
Total current liabilities		34,221,421
Non-current liabilities:		
Notes payable, net of current maturities and debt issuance costs		346,044,407
Capital lease obligations, net of current maturities		905,099
Other long-term liabilities		4,557,692
Unearned revenue		107,213
Total non-current liabilities		351,614,411
Total liabilities		385,835,832
Member's equity:		
Common units		375,350,000
Incentive units		413,910
Accumulated deficit		(25,384,159)
Total member's equity		350,379,751
Total liabilities and member's equity	$	736,215,583

See accompanying notes to consolidated financial statements.

Point Broadband Acquisition, LLC and Subsidiaries

Consolidated Statement of Operations and Comprehensive Loss

	Successor Period from October 1 to December 31, 2021	Predecessor Period from January 1 to September 30, 2021
Revenues:		
Customer revenue	$ 17,071,654	$ 47,640,337
Regulatory revenue	3,382,213	4,919,010
Total revenues	20,453,867	52,559,347
Operating expenses:		
Cost of revenues	3,044,455	9,569,592
Selling, general, and administrative	8,491,366	20,065,801
Depreciation and amortization	16,882,117	21,807,694
Earnout gain	(92,179)	(4,113,886)
Total operating expenses	28,325,759	47,329,201
Operating (loss) income	(7,871,892)	5,230,146
Other expense:		
Interest expense, net	7,503,247	3,865,387
Other expense, net	10,009,020	4,831,431
Total other expense	17,512,267	8,696,818
Net loss	(25,384,159)	(3,466,672)
Noncontrolling interest	–	864,884
Net loss, controlling interest	(25,384,159)	(4,331,556)
Other comprehensive income:		
Unrealized gain on derivatives held as cash flow hedges	–	342,558
Comprehensive loss	$ (25,384,159)	$ (3,988,998)

See accompanying notes to consolidated financial statements.

Point Broadband Acquisition, LLC and Subsidiaries

Consolidated Statement of Members' Equity

Predecessor	Common Stock Shares	Common Stock Amount	Preferred Stock Series A, B, and C Shares	Preferred Stock Series A, B, and C Amount	Treasury Shares	Accumulated Deficit	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Members' Equity
Balance at December 31, 2020 (Predecessor)	9,526,516	$ 6,423,480	26,980,303	$ 82,333,294	$ (487,500)	$ (8,106,855)	$ (2,477,520)	$ (878,558)	$ 2,723,094	$ 79,529,435
Prior period adjustment – error correction[1]	–	–	–	–	–	(1,152,203)	–	–	–	(1,152,203)
Prior period adjustment – change in accounting principle[2]	–	–	–	–	–	2,919,445	–	–	–	2,919,445
Balance at December 31, 2021 – as adjusted	9,526,515	6,423,480	29,980,303	82,333,294	(487,500)	(6,339,613)	(2,477,520)	(878,558)	2,723,094	81,296,677
Other comprehensive income	–	–	–	–	–	–	–	342,558	–	342,558
Net (loss) income	–	–	–	–	–	(4,331,556)	–	–	864,884	(3,466,672)
Balance at September 30, 2021 (Predecessor)	9,526,515	$ 6,423,480	26,980,303	$ 82,333,294	$ (487,500)	$ (10,671,169)	$ (2,477,520)	$ (536,000)	$ 3,587,978	$ 78,172,563

Successor	Common Units Units	Common Units Amount	Incentive Units Units	Incentive Units Amount	Accumulated Deficit	Total Member's Equity
Balance at October 1, 2021 (Successor)	–	$ –	–	$ –	$ –	$ –
Issuance of units and contributions	100	375,350,000	–	–	–	375,350,000
Share-based compensation	–	–	97,850	413,910	–	413,910
Net loss	–	–	–	–	(25,384,159)	(25,384,159)
Balance at December 31, 2021 (Successor)	100	$ 375,350,000	97,850	$ 413,910	$ (25,384,159)	$ 350,379,751

See accompanying notes to consolidated financial statements.

[1] Refer to Note 14 for further detail
[2] Refer to Note 2 for further details

Point Broadband Acquisition, LLC and Subsidiaries

Consolidated Statement of Cash Flows

	Successor		Predecessor	
	Period from October 1 to December 31, 2021		Period from January 1 to September 30, 2021	
Cash flow from operating activities				
Net loss	$	(25,384,159)	$	(3,466,672)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization		16,882,117		21,807,694
Gain on forgiveness of debt		–		(1,657,956)
Amortization of debt issuance costs		444,111		355,957
Bad debt expense		127,104		314,427
Share-based compensation expense		413,910		–
(Increase) decrease in:				
Receivables		(3,107,987)		1,792,250
Prepayments		222,336		(1,024,859)
Other assets		1,589,712		(1,506,918)
Accounts payable		3,324,610		1,597,433
Unearned revenue		(7,727)		(99,735)
Customer deposits and other customer prepayments		287,463		(330,614)
Other long-term liabilities		–		4,500,000
Accrued liabilities		16,632,656		8,796,541
Net cash provided by operating activities		11,424,146		31,077,548
Cash flow from investing activities				
Acquisition and construction of plant		(38,525,846)		(76,639,173)
Working capital payment		–		(67,000)
Net cash used in investing activities		(38,525,846)		(76,706,173)
Cash flow from financing activities				
Principal payments on notes payable		–		(213,856)
Proceeds from notes payable		–		42,262,484
Payment of debt issuance costs		–		(627,427)
Payments under capital leases		(78,862)		(203,606)
Payment of earnout liability		(1,489,618)		–
Net cash provided by financing activities		(1,568,480)		41,217,595
Net decrease in cash and cash equivalents		(28,670,180)		(4,411,030)
Cash and cash equivalents at beginning of period		45,153,665		11,759,547
Cash and cash equivalents at end of period	$	16,483,485	$	7,348,517
Supplemental disclosures				
Significant noncash transaction – acquisition of Fiber South	$	–	$	6,000,000
Equipment purchased under capital leases	$	405,730	$	318,702

See accompanying notes to consolidated financial statements.

1. Nature of Operations and Basis of Presentation

Nature of Operations

Point Broadband Acquisition, LLC (Point Broadband Acquisition or the Company) was formed on March 10, 2021 as a Delaware limited liability company by GTCR, a leading private equity firm and ultimate parent of Point Broadband Acquisition. Point Broadband Acquisition was formed by GTCR for the purpose of enacting the acquisition of Point Broadband Fiber Holding, LLC (Point Broadband Fiber) on October 1, 2021. Point Broadband Acquisition's business operations are conducted through this wholly owned subsidiary.

Point Broadband Fiber is an internet service provider (ISP) serving residential and commercial customers and government entities in mainly rural and suburban regions of the United States. The Company offers internet and voice services in all its markets and in two of its markets also provides video services. The Company's operations are focused in the Mid-Atlantic region, as well as the Southeast, Midwest, and upstate New York. The Company was incorporated in 2016 and is based in Opelika, Alabama.

The Company is a wholly owned subsidiary of Point Broadband Intermediate, LLC and Point Broadband Intermediate, LLC is a wholly owned subsidiary of Point Broadband Holdings, LLC.

Basis of Presentation

Predecessor

On October 1, 2021, Point Broadband Acquisition acquired Point Broadband Fiber. The results of operations for the period January 1, 2021 to September 30, 2021 represent those of Point Broadband Fiber prior to the acquisition. The results for this period represent the Predecessor financial statements.

Successor

On October 1, 2021, Point Broadband Acquisition acquired 100% of the equity interest in Point Broadband Fiber for an aggregate consideration transferred of $674,923,284 (the Acquisition).

1. Nature of Operations and Basis of Presentation (continued)

Point Broadband Acquisition applied acquisition accounting guidance under Accounting Standards Codification (ASC) 805, ***Business Combinations***, and recorded the acquired assets and liabilities of Point Broadband Fiber and its subsidiaries as of October 1, 2021 at fair value. The consolidated cash flows and results of operations and other comprehensive loss after the Acquisition are not comparable with those prior to the Acquisition and therefore have been segregated in the financial statements. The Successor financial statements represent the operations of Point Broadband Fiber, and its subsidiaries under the ownership of Point Broadband Acquisition, for the period commencing after the date of the Acquisition, or October 1, 2021, to December 31, 2021.

The operating entities and subsidiaries of Point Broadband Fiber are as follows:

2021	Ownership Percentage
Point Broadband of Bainbridge, LLC (Bainbridge)	100%
Point Broadband of Alabama, LLC (Opelika, JTM, or Island Fiber)	100
Sunset Digital Communications, LLC	100
Sunset Fiber, LLC (collectively Sunset)	100
Point Broadband of the Piedmont, LLC (Hagerstown)	100
Point Broadband of Ohio, LLC (Ohio)	100
Casair Broadband, LLC (Casair)	100
Point Broadband of Michigan, LLC (VB Fiber)	100
Clarity Fiber Solutions, LLC (Clarity)	100
Point Broadband – Cobb, LLC (NW Georgia)	100
Point Services, LLC	100
Point Broadband Towers, LLC	100
Point Broadband of Mississippi, LLC (Mississippi)	90

2. Summary of Significant Accounting Policies

Consolidation and Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include the accounts of Point Broadband Acquisition and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. The more significant estimates made by management relate to the fair value of the net assets acquired in business combinations, goodwill, impairment of investments, and long-lived tangible and intangible assets.

Cash and Cash Equivalents

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. Domestic accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per unique non-interest-bearing account number. The Company maintains its cash accounts in commercial banks, which at times may exceed federally insured limits. The Company had approximately $14,093,756 in uninsured cash at December 31, 2021. The Company has not experienced any losses in such accounts. The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company had no short-term investments at December 31, 2021.

2. Summary of Significant Accounting Policies (continued)

Business Combinations

The Company accounts for its business combinations under the acquisition method of accounting. The Company recognizes separately from goodwill, the identifiable assets acquired, and liabilities assumed based on their respective estimated fair values. The excess of the consideration transferred over the estimated fair values of the net assets acquired is recorded as goodwill.

Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, and notes payable. The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The carrying amount of notes payable approximates its fair value, as interest rates approximate current market rates.

Property and Equipment and Depreciation

Property and equipment is recorded at cost less accumulated depreciation using depreciation methods over estimated useful lives as follows:

Description	Method	Useful Life
Network equipment	Straight-line	5–7 years
Other general equipment	Straight-line	3–7 years
Broadband equipment	Straight-line	5–7 years
Building improvements	Straight-line	Shorter of 15 years or lease term
Office equipment and furniture	Straight-line	5–7 years
Software and licenses	Straight-line	3 years
Vehicles	Straight-line	5–7 years
Land	N/A	N/A

The Company has a policy that any asset valued at $1,000 or greater will be capitalized as a fixed asset. All fixed assets will be assigned a useful life and depreciated accordingly. If similar acquired assets are below the capitalization threshold, they may be grouped together and capitalized if the total amount is above $1,000.

2. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets, in accordance with the provisions of ASC 360, *Property, Plant, and Equipment*. ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by comparing the carrying amount of an asset or asset group to future undiscounted cash flows expected to be generated. There was no impairment of long-lived assets recognized in the consolidated financial statements.

Goodwill and Intangible Assets

Goodwill is recorded when the consideration transferred for an acquired business is greater than the fair value of the net identifiable assets acquired, and liabilities assumed.

In accordance with ASC 350, *Intangibles – Goodwill and Other*, goodwill and other indefinite-lived intangible assets are assessed for impairment at least annually as of December 31, or more frequently if impairment indicators arise using a qualitative or quantitative approach. Any excess of the carrying amount of the reporting unit over its fair value is recognized as an impairment loss, not to exceed the amount of goodwill assigned to the impaired reporting unit. During this assessment, management relies on a number of factors, including operating results, business plans, and anticipated future cash flows. The Company may use a qualitative or quantitative process to determine if there is an impairment. Prior to performing a quantitative evaluation, an assessment of qualitative factors may be performed to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If it is determined that it is more likely than not that the carrying amount of the reporting unit exceeds its fair value, the Company must perform a quantitative assessment to calculate the fair value of the reporting unit and compare to its carrying amount and measure an impairment loss.

Debt Issuance Costs

Debt issuance costs consist of the amounts paid to lenders and third parties in connection with the issuance of debt. Debt issuance costs are presented as a reduction to notes payable, net on the consolidated balance sheet. These costs effectively reduce the proceeds of borrowing, thereby increasing the effective interest rate. These costs are amortized using the effective interest method over the borrowing term and are reported within interest expense on the consolidated statement of operations and comprehensive loss.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company earns most of its revenue from contracts with customers, primarily through the provision of internet, voice, and video services.

The Company also earns regulatory revenue from governmental grant payments under the Connect America Fund Phase II (CAF II) and the Rural Digital Opportunity Fund (RDOF) federal programs, neither of which are accounted for under ASC 606, *Revenue from Contracts with Customers*. These programs are provided by the government to help expand access to high-speed broadband to underserved localities. Funds are received under both these programs in equal monthly installments and are recognized as revenue when received. The funds received under these programs are reported as "Regulatory Revenue" under the consolidated statement of operations.

The Company also receives grant payments from various state and local authorities for the expansion of broadband access to unserved and underserved areas. The funds from these state and local grants are received as reimbursement for approved and incurred capital expenditures and are recognized under Other expense, net. For the periods from October 1 to December 31, 2021 (Successor) and January 1 to September 30, 2021 (Predecessor), funds received under these grants totaled $537,749 and $4,749,294, respectively.

The Company recognizes revenue when it satisfies a performance obligation by transferring control of goods and services to a customer.

The Company provides internet, voice, and video services to residential and commercial customers. Residential customers are provided services on a month-to-month basis and are billed monthly. Commercial customer contract terms vary from month to month up to 60 months, and the majority are billed monthly. The Company offers discounts to customers who bundle additional services with broadband. All revenue is recognized when services are provided to the customer, irrespective of the billing period.

2. Summary of Significant Accounting Policies (continued)

The Company evaluates whether it has an enforceable contract with a customer. An enforceable contract states the contractual terms, including the parties' rights and the payment terms related to the goods and services to be transferred; and there is the ability and intention to pay the Company for the contracted product or service. The Company also evaluates if a contract has multiple promises and if each promise should be accounted for as separate performance obligations or as a single performance obligation. Multiple promises in a contract are typically separated if they are distinct, both individually and in the context of the contract.

Performance obligations are satisfied either over time or at a point in time. The appropriate measure of progress for revenue recognition is based on the nature of the performance obligation and other pertinent contract terms.

In the normal course of business, the Company provides assurance-type warranties for services with agreed-upon specifications.

Contract Costs

The Company pays sales commissions to its employees for the execution of a contract and contract renewals. Sales commissions represent "costs to obtain a contract," as they meet the criteria in ASC 340-40, *Contracts with Customers (Other Assets and Deferred Costs)*. Sales commissions are incremental costs to obtaining a contract as the costs would not be incurred if the contract was not executed. Further, the Company expects to recover these costs through the gross margin earned on the sale of its services.

Any commissions related to residential customers are expensed when incurred per the practical expedient present in ASC 340-25-4 which states that costs related to contracts with a duration of one year or less may be expensed as incurred. All residential customers are on month-to-month contracts. The commission plan related to commercial customers is based off of a specific contract type and length for each successful new contract with a customer as well as renewal contracts with current customers. Service upgrades for commercial customers are also eligible for commissions.

Company contracts for commercial customers often contain renewal options or provisions that may be automatic or elective. Commissions paid for renewals are much lower than the initial commission for new customers and therefore, commissions are not commensurate during the entire contract period, inclusive of renewals. As a result, commissions costs are amortized over the average customer life of commercial customers.

2. Summary of Significant Accounting Policies (continued)

The Company used current historical information to estimate the average life of its customers. The Company evaluated initial contract start dates, and how long they have been customers.

Based on this analysis, the Company amortizes commissions costs related to new contracts over the average customer life of seven years. Management will continue to monitor and update this average customer life on an annual basis as more historical data is collected. Management also reviews contract assets annually to assess whether any impairment is necessary.

Advertising Costs

The Company expenses advertising costs as they are incurred. For the periods from October 1 to December 31, 2021 (Successor) and January 1 to September 1, 2021 (Predecessor), advertising costs totaled $342,781 and $620,631 respectively. Advertising costs were expensed and included in selling, general and administrative expenses in the consolidated statements of operations.

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes, with income taxes payable by the members. Accordingly, no provision has been made in these financial statements for federal and state income taxes for the Company. As a limited liability company, each member's liability is limited to amounts reflected in their respective member's equity accounts in accordance with the Limited Liability Company Agreement. The income allocable to each member is subject to examination by federal and state taxing authorities. In the event of an examination of the income tax returns, the tax liability of the members could be changed if an adjustment in the income is ultimately determined by the taxing authorities. Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the consolidated financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for income tax purposes may differ from net income in these consolidated financial statements.

2. Summary of Significant Accounting Policies (continued)

Recently issued accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of operations. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Company is currently evaluating the effect that the standard will have on the consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable, by requiring the Company to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice where an allowance is not recognized until the losses are considered probable. The ASU also changes the way credit losses are recognized for available-for-sale debt securities. Credit losses are recognized through the recording of an allowance rather than as a write-down of the carrying value. The guidance is effective for the Company beginning January 1, 2023. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the earliest period presented. A prospective transition approach is required for debt securities for which another-than-temporary impairment had been recognized before the effective date. We do not anticipate this standard to have a material impact on the Company's financial statements.

2. Summary of Significant Accounting Policies (continued)

Change in Accounting Principle

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the net assets of businesses acquired in a business combination. Prior to the current fiscal year, the Company applied the alternative provisions of accounting for goodwill that are permitted for private companies. Under the alternative, goodwill was amortized on a straight-line basis over ten years and goodwill impairment testing was performed at the entity level only when a triggering event indicates that the carrying value of the entity's goodwill may exceed its estimated fair value.

The GTCR acquisition (Note 3) changed the potential exit strategies that would be reasonably available to the current investors. The Company's investors have determined that several reasonably possible exit strategies include options in which the use of the private company accounting alternative is prohibited. This was unlikely prior to the GTCR acquisition.

With the changed circumstances, the Company determined that a voluntary change in accounting treatment regarding the amortization of goodwill would be preferable and justifiable should an exit event require financial statements to be prepared under accounting standards required for public companies. Under the Company's new policy, goodwill is not amortized but tested as described above.

The voluntary change in accounting principle was accounted for retrospectively as required by ASC 250, *Accounting Changes and Error Corrections*, as of the beginning of the earliest period presented (the year ended December 31, 2021), resulting in a $2,919,445 credit to accumulated deficit for the cumulative effect of the change in accounting principle. Because of this voluntary change, the Company tested for impairment retrospectively for the years ended December 31, 2020, 2019, and 2018, respectively. No impairments were recorded as a result of the tests performed.

3. Business Combinations

Point Broadband Fiber Holding, LLC Acquisition

On March 12, 2021, a Membership Interest Purchase Agreement (the Point Broadband Purchase Agreement) was entered into between Point Broadband Acquisition (the Buyer), Point Broadband, LLC, a Georgia limited liability company (Parent), Point Broadband Capital, LLC, a Delaware limited liability company (the Seller), Point Broadband Fiber Holding, LLC, a Delaware limited liability company (the Company, and together with Parent and Seller, the Seller Parties). Through the Point Broadband Purchase Agreement, the Seller Parties agreed to transfer all ownership in the Company to the Buyer. Collectively this represents "The Acquisition," which closed on October 1, 2021.

The total purchase consideration was $674,923,284, comprised of $482,047,875 in cash, $136,079,159 in funded indebtedness (old debt that was paid-off at closing), $53,846,250 in rollover equity, and $2,950,000 in additional equity that was issued as a result of the JTM Broadband, LLC and Camp Fox, LLC Acquisitions (discussed below). See Note 10 for discussion on the third-party debt that was entered into during the Acquisition.

The Company applied purchase accounting guidance under ASC 805 to record the acquired assets and liabilities at fair value as of the acquisition date. The consolidated cash flows and results of operations and other comprehensive loss after the Acquisition are not comparable with those prior to the Acquisition and therefore have been segregated in the financial statements. The excess of the purchase price over the net assets acquired was allocated to goodwill. The Company recorded $332,685,399 of goodwill on the December 31, 2021, consolidated balance sheet. The following table summarizes the purchase price consideration and the fair values of net assets recorded by the Company at the acquisition date:

Total contributions	
Cash, net	$ 482,047,875
Funded indebtedness	136,079,159
Rollover equity	53,846,250
Additional equity	2,950,000
Total consideration	$ 674,923,284

3. Business Combinations (continued)

Net assets acquired	
Cash and cash equivalents	$ 7,348,588
Accounts receivable	1,255,389
Other current assets	1,893,022
Property, plant, and equipment	220,573,368
Other non-current assets	7,006,626
Intangible assets	133,100,000
Goodwill	332,685,399
Total assets	703,862,392
Net liabilities assumed	
Accounts payable	(8,379,835)
Other current liabilities	(10,756,039)
Unearned revenue	(2,604,696)
Other long-term liabilities	(7,198,538)
Total liabilities assumed	(28,939,108)
Total net assets acquired	$ 674,923,284

Intangible assets acquired consist of customer relationships of $101,500,000 and trade names of $31,600,000. Trade Names are amortized on a straight-line basis over their useful lives of 15 years, while Customer Relationships are amortized on a straight-line basis over their useful lives of 5 years. Refer to Note 6 for further details on these intangible assets. Goodwill is related to the application of purchase accounting on the Company's financial statements and represents the synergistic benefits available through GTCR's management to accelerate and expand the business. Sell-side transaction expenses totaled $8,657,946 and were recorded in the consolidated statement of operations for the period from January 1 to September 30, 2021 (Predecessor) within Other expense, net. Buy-side transaction expenses totaled $10,243,627 and were recorded in the consolidated statement of operations for the period from October 1 to December 31, 2021 (Successor).

The disclosure above includes the fair value of assets acquired under other acquisitions in the current year. The Company acquired Fiber South Broadband, LLC (wholly owned subsidiary of Cobb Electric Membership Corporation) in April 2021. Additionally, the Company completed the acquisitions of Camp Fox, LLC (d/b/a Island Fiber) and JTM Broadband, LLC on October 1, 2021. See below for further detail on those acquisitions.

3. Business Combinations (continued)

Fiber South Broadband, LLC Acquisition

On April 30, 2021, an Asset Purchase Agreement (the Fiber South Asset Purchase Agreement) was entered into between Point Broadband Fiber Holding, LLC, a Delaware limited liability company (the Buyer), Fiber South Broadband, LLC (the Seller) and Cobb EMC, parent of Fiber South Broadband, LLC. Through the Purchase Agreement, the Seller agreed to transfer all ownership in the assets of the Seller to the Buyer. Collectively this represents the Fiber South Acquisition, which closed on April 30, 2021.

The acquisition was completed in the form of a $6,000,000 note payable earnout obligation to the Seller, which was the aggregate consideration transferred. As part of the fair value assessment on October 1, 2021, for the GTCR Acquisition above, the third-party valuation specialist estimated that the fair value of the earnout was $4,500,000. This is included in "Other long-term liabilities" on the consolidated balance sheet. The fair market value of the obligation is based on significant inputs not observable in the market (Level 3 fair value inputs), including forecasted growth rates. These fair value measurements are directly impacted by the Company's estimates. As of December 31, 2021, there were no significant changes in the range of outcomes for the contingent consideration recognized as a result of the acquisition.

The following table summarizes the purchase price consideration and the fair values of net assets recorded by the Company at the acquisition date:

Total contributions	
Contingent consideration	$ 4,500,000
Total consideration	$ 4,500,000

3. Business Combinations (continued)

Tangible assets	
Cash	$ –
Working capital	29,000
Property, plant, and equipment	4,117,000
Other net assets	–
Net tangible assets	4,146,000
Intangible assets	
Trade name	20,000
Customer relationships	70,000
Goodwill	264,000
Net intangible assets	354,000
Total net assets acquired	$ 4,500,000

Camp Fox, LLC (d/b/a Island Fiber) Acquisition

On August 23, 2021, an Asset Purchase Agreement (the Island Fiber Asset Purchase Agreement) was entered into between Point Broadband Fiber Holding, LLC, a Delaware limited liability company (the Buyer) and Island Fiber, an Alabama limited liability company (the Seller). Through the Purchase Agreement, the Seller agreed to transfer all ownership in the assets of the Seller to the Buyer. Collectively this represents the Island Fiber Acquisition, which closed on October 1, 2021.

Point Broadband Fiber acquired the assets of the Seller for $5,500,000, plus working capital/closing adjustments. The Island Fiber Acquisition was funded by $5,200,000 of cash on hand from Point Broadband Fiber, as well as $300,000 of consideration in rollover equity.

3. Business Combinations (continued)

The following table summarizes the purchase price consideration and the fair values of net assets recorded by the Company at the acquisition date:

Total contributions	
Cash consideration	$ 5,200,000
Rollover equity	300,000
Cash adjustment	7,000
Working capital adjustment	74,000
Total consideration	$ 5,581,000
Tangible assets	
Cash	$ 7,000
Working capital	89,000
Property, plant, and equipment	1,794,000
Other net assets	26,000
Net tangible assets	1,916,000
Intangible assets	
Trade name	20,000
Customer relationships	600,000
Goodwill	3,045,000
Net intangible assets	3,665,000
Total net assets acquired	$ 5,581,000

JTM Broadband, LLC Acquisition

On August 20, 2021, an Asset Purchase Agreement (the JTM Asset Purchase Agreement) was entered into between Point Broadband Fiber Holding, LLC, a Delaware limited liability company (the Buyer) and JTM Broadband LLC, a Tennessee Corporation (the Seller). Through the Purchase Agreement, the Seller Parties agreed to transfer all ownership in the assets of the Seller to the Buyer. Collectively this represents the JTM Acquisition, which closed on October 1, 2021.

3. Business Combinations (continued)

Point Broadband Fiber acquired the assets of the Seller for $15,000,000 plus working capital/closing adjustments. The JTM Acquisition was funded by $13,350,000 of cash on hand from Point Broadband Fiber, as well as $1,650,000 of consideration in rollover equity.

The following table summarizes the purchase price consideration and the fair values of net assets recorded by the Company at the acquisition date:

Total contributions	
Cash consideration	$ 13,350,000
Rollover equity	1,650,000
Cash adjustment	459,000
Working capital adjustment	(121,000)
Total consideration	$ 15,338,000
Tangible assets	
Cash	$ 459,000
Working capital	(35,000)
Property, plant, and equipment	9,456,000
Other net assets	40,000
Net tangible assets	9,920,000
Intangible assets	
Trade name	90,000
Customer relationships	2,160,000
Goodwill	3,168,000
Net intangible assets	5,418,000
Total net assets acquired	$ 15,338,000

4. Revenue Recognition

Nature of Services

The Company is an internet service provider (ISP) serving residential and commercial customers and government entities in mainly rural and suburban America. The Company offers internet and voice services in all its markets and in two of its markets also provides video services. The Company's operations are focused in the Mid-Atlantic region, as well as the Southeast, Midwest, and upstate New York. The Company was incorporated in 2016 and is based in Opelika, Alabama.

Disaggregation of Revenue

The table below presents revenue disaggregated by revenue stream:

	For the Period from October 1 to December 31, 2021 (Successor)	For the Period from January 1 to September 30, 2021 (Predecessor)
Customer revenue:		
Internet	$ 13,087,329	$ 34,151,760
Voice	1,715,291	5,342,682
Video	1,407,571	5,268,977
Other	861,463	2,876,918
Regulatory revenue	3,382,213	4,919,010
	$ 20,453,867	$ 52,559,347

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company enters into contracts with customers that will sometimes include promises to deliver multiple services which may be capable of being distinct and distinct within the context of the contract. Thus, they can be accounted for as separate performance obligations. Determining whether services are performance obligations often requires the exercise of judgment by management. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on the relative standalone selling price of the respective promised good or service.

4. Revenue Recognition (continued)

All service revenue is satisfied over-time while commercial installation revenue is satisfied at a point in time, as installation is considered a separate performance obligation for commercial customers. For the periods from October 1 to December 31, 2021 (Successor) and January 1 to September 30, 2021 (Predecessor), commercial installation revenue totaled $48,463 and $225,000, respectively. The performance obligation is satisfied once installation is complete, at which point revenue is recognized.

Determining the Transaction Price

Revenue is recognized based on the transaction price, which is measured as the amount of consideration the Company expects to receive in exchange for transfer of service to a customer. When determining the transaction price, the Company estimates variable consideration to the extent that it is probable that a significant amount of cumulative revenue will not be reduced in the future.

Measure of Progress

The nature of the Company's monthly recurring and non-recurring revenue directly corresponds with the value to the customer for any given monthly period and thus the Company has concluded the output method is the most appropriate for recognizing its revenue. All service (phone, internet, cable) revenue streams are measured by the output method because the amounts on the stated invoices directly correspond to the value of the performance obligation provided at the stated contractual rate.

Principal vs. Agent Considerations

The Company evaluates whether it promises to transfer services to the customer (as the principal) or to arrange for services to be provided by another party (as the agent) using a control model. Based on the evaluation of the control model, the Company determined it acts as the principal within the business model rather than as an agent within the revenue arrangements.

4. Revenue Recognition (continued)

Costs to Obtain and Fulfill a Contract

The Company capitalizes certain costs to obtain and fulfill a new contract and contract renewals. These costs primarily relate to sales commissions on commercial customers that are related to the execution of customer contracts. These capitalized costs related to commercial contracts are amortized on a straight-line basis over the average customer life, which is seven years.

5. Goodwill

Beginning balance – December 31, 2020 (Predecessor)	$ 16,567,526
Prior period adjustment – error correction[1]	5,987,459
Prior period adjustment – change in accounting principle[2]	2,919,445
Working capital payment	67,000
Ending balance – September 30, 20201 (Predecessor)	$ 25,541,430
Beginning balance – October 1, 2021 (Successor)	$ –
Goodwill recorded	332,685,399
Ending balance – December 31, 2021 (Successor)	$332,685,399

[1] Refer to Note 14 for further detail
[2] Refer to Note 2 for further detail

Goodwill recorded in the consolidated balance sheet totaled $332,685,399 at December 31, 2021 (Successor). At December 31, 2021, the Company performed a qualitative assessment of its goodwill. Based on its assessment, it was determined that it was more likely than not that the carrying amount of the reporting unit exceeded its fair value and, thus, no goodwill impairment was recognized in the consolidated statement of operations and comprehensive loss.

6. Intangible Assets, Net

Intangible assets at December 31, 2021 (Successor) included the following:

	Useful Lives	Gross Carrying Amount at December 31, 2021	Accumulated Amortization	Net Carrying Amount as of December 31, 2021
Trade name	15 years	$ 31,600,000	$ (526,667)	$ 31,073,333
Customer relationships	5 years	101,500,000	(5,075,000)	96,425,000
Total intangible assets		$ 133,100,000	$ (5,601,667)	$ 127,498,333

Amortization expense related to intangibles totaled $5,601,667 for the period from October 1, 2021 to December 31, 2021 (Successor). Amortization expense related to intangible assets for the period from January 1 to September 30, 2021 (Predecessor) totaled $5,872,169.

The following table summarizes the future aggregate amortization expense of the Company's intangible assets with finite lives:

	Total
For the years ending December 31:	
2022	$ 22,406,666
2023	22,406,666
2024	22,406,667
2025	22,406,667
2026	17,331,667
Thereafter	20,540,000
	$ 127,498,333

No impairment indicators were identified for the period from October 1, 2021 to December 31, 2021 (Successor) or the period from January 1 to September 30, 2021 (Predecessor).

7. Property, Plant and Equipment, Net

Below are the major classes of property, plant, and equipment as of December 31, 2021:

	2021
Network equipment	$ 187,047,912
Other general equipment	17,562,852
Video and broadband equipment	4,708,535
Building improvements	3,623,012
Office equipment and furniture	357,175
Software and licenses	3,281,542
Vehicles	2,664,108
Construction-in-process	14,294,402
Inventory	25,747,569
Land	217,837
Total property, plant, and equipment	259,504,944
Less: accumulated depreciation	(11,280,450)
Property, plant, and equipment, net	$ 248,224,494

Depreciation expense for the periods from October 1 to December 31, 2021 (Successor) and January 1 to September 30, 2021 (Predecessor), totaled $11,280,450 and $15,854,953, respectively. Amortization of assets recorded under capital lease is included in depreciation expense.

8. Related-Party Transactions

The Company received certain chaplain services and insurance brokerage services during the predecessor period from a shareholder, ITC Capital Partners, LLC. The Company also charged the shareholder for certain HR and legal services performed. The expenses are recorded at amounts invoiced for the services provided and were payable quarterly. Total expenses related to services received from the shareholder for the period from January 1 to September 30, 2021 (Predecessor) was $27,864. Total income from services provided to the shareholder for the same period was $46,008. Following the acquisition by GTCR (Note 3), ITC Capital Partners, LLC was no longer considered a related party.

8. Related-Party Transactions (continued)

Additionally, the Company also pays rent to certain employees and spouses of employees. The Company also receives professional and other services from certain employees and members and pays some of these related parties for installation and network maintenance related activities as well. Expenses related to these members and employees totaled $500,896 for the period from October 1 to December 31, 2021 (Successor) and $698,414 for the period from January 1 to September 30, 2021 (Predecessor).

9. Accrued Liabilities

Accrued liabilities consists of the following as of December 31, 2021:

	December 31, 2021
Accrued interest	$ 6,694,527
Accrued payroll	771,700
Accrued taxes	571,987
Accrued earnout provision	712,213
Other accrued expenses	6,905,024
Total accrued liabilities	$ 15,655,451

The prior period acquisitions of Crystal Automation Systems, Inc. (Casair) on September 1, 2020, and Hagerstown Fiber Internet, LLC (Hagerstown) on January 31, 2020 by Point Broadband Fiber, included earnout payments to the sellers at a future point in time if certain performance metrics were achieved. The fair value of the related earnout provisions were measured on December 31, 2020, September 30, 2021 (Predecessor), and December 31, 2021 (Successor). The Company recorded fair value adjustments related to any changes in fair value between measurement periods. The Company did not recognize a liability for these earnout provisions as of December 31, 2020. An adjustment was made in the current year to recognize the fair value of the earnout liability for both entities as of December 31, 2020. See Note 14 for further details on the impact of this adjustment.

9. Accrued Liabilities (continued)

The Casair acquisition included an earnout provision whereby the Company would make two additional payments contingent on the performance of the acquired company. The Company calculates the earnout amounts within 60 days following the one-year and two-year anniversary of the closing date. The fair market value of the earnout obligation is based on significant inputs not observable in the market (Level 3 fair value inputs), including forecasted EBITDA. These fair value measurements are directly impacted by the Company's estimates. The year one payout was made in October 2021, for a total amount of $2,221,386. The year two payout is expected to be made in October of 2022. As of December 31, 2021, there were no significant changes in the range of outcomes for the contingent consideration recognized as a result of the acquisition.

The Hagerstown acquisition included an earnout provision whereby the Company would have to make an additional payment contingent on the net increase in incremental subscribers installed and added to the fiber network that exists as of the Closing Date (current passings) through a minimum of 18 months after Closing. The earnout shall be payable after the closing date on the later of, (1) the date when 10% subscriber penetration rate has been obtained on an incremental 15,000 passings constructed post acquisition, (2) the 18-month anniversary of the closing date. Based on current build plans, the Company expects the incremental 15,000 passings will be fully constructed by June of 2023. The fair market value of the earnout obligation is based on significant inputs not observable in the market (Level 3 fair value inputs), including forecasted subscriber penetration rates. These fair value measurements are directly impacted by the Company's estimates. As of December 31, 2021, there were no significant changes in the range of outcomes for the contingent consideration recognized as a result of these prior period acquisitions.

The change in fair value and payment for both earnouts is as follows:

Casair earnout – Beginning balance – December 31, 2020	$ 6,296,580
Change in fair value	(3,684,243)
Ending balance – September 30, 2021	2,612,337
Payment on October 26, 2021	(2,221,386)
Change in fair value	(78,734)
Ending balance – December 31, 2021	$ 312,217

9. Accrued Liabilities (continued)

Hagerstown earnout – Beginning balance – December 31, 2020	$ 843,082
Change in fair value	(429,643)
Ending balance – September 30, 2021	413,439
Change in fair value	(13,443)
Ending balance – December 31, 2021	$ 399,996

The fair value of the related earnout provisions were measured on September 30, 2021 (Predecessor) and December 31, 2021 (Successor), with a gain recorded within operating expenses on the consolidated statement of operations. For the period from January 1 to September 30, 2021 (Predecessor), the Company recorded a gain of $4,113,886 related to the change in fair value of the earnout provisions. For the period from October 1, 2021, to December 31, 2021 (Successor), the Company recorded a gain of $92,179 related to the change in fair value of the earnout provisions.

10. Notes Payable

Notes payable, long term consists of the following at December 31, 2021:

	December 31, 2021
Virginia Tobacco Commission Loan	$ 1,500,000
Tobacco Region Revitalization Commission	136,000
GSO/Benefit Street Term Loan	356,400,000
Less: debt issuance costs	(11,991,593)
	$ 346,044,407

10. Notes Payable (continued)

The current portion of notes payable consists of the following at December 31, 2021:

	December 31, 2021
GSO/Benefit Street Term Loan	$ 3,600,000
Tobacco Region Revitalization Commission	136,000
	$ 3,736,000

As of December 31, 2021 (Successor), future maturities of debt are as follows:

2022	$ 3,736,000
2023	3,736,000
2024	3,900,000
2025	3,900,000
2026	3,900,000
Thereafter	342,600,000
	$ 361,772,000

Borrowings under the GSO/Benefit Street Term Loan are subject to certain financial covenants. As of December 31, 2021 (Successor), the Company was in compliance with all of its covenants.

As described previously, on October 1, 2021 (the Acquisition Date), GTCR and other investors, through the wholly owned subsidiary, Point Broadband Acquisition, acquired 100% of the equity interest in Point Broadband Fiber, for a stated purchase price of $520,000,000 plus working capital/closing adjustments. Financing of the transaction was obtained in a Credit Agreement containing an Initial Term Commitment (Initial Term Loan) in an aggregate principal amount of $360,000,000, a Delayed Draw Term Loan Commitment (Delayed Draw Term Loan) in an aggregate principal amount of $150,000,000, a Revolving Commitment (Revolver) in an aggregate principal amount of up to $50,000,000, and a Letter of Credit Commitment (LOC or Letter of Credit) totaling $43,750,000. At the time of the acquisition, and as of December 31, 2021, the only loan outstanding was the Initial Term Loan of $360,000,000.

10. Notes Payable (continued)

The Credit Agreement (Agreement) is dated as of October 1, 2021 between Point Broadband Acquisition, LLC (the Borrower), Point Broadband Intermediate, LLC (Holdings) and the Lenders and Issuing Banks, GSO Capital Partners (GSO, Blackstone), Benefit Street Partners (Benefit Street) and Ally Bank (Ally) party hereto and Wilmington Trust, National Associates, as an Administrative Agent and Collateral Agent.

The Company incurred debt origination costs of approximately $12,378,011 related to the new debt. Amortization expense related to debt issuance costs totaled $386,418 for the period from October 1 to December 31, 2021 (Successor period), which is recorded as interest expense on the consolidated statement of operations. Amortization of debt issuance costs for the period from January 1 to September 30, 2021 (Predecessor) totaled $355,957, which was associated with old debt that was extinguished on the Acquisition Date.

Paycheck Protection Program Loan (Predecessor)

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which established the Paycheck Protection Program (the Program). The Program was created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis. The Company applied for a loan under the Program and received from its bank a loan in the amount of $1,657,957 on April 10, 2020. The loan is forgivable if the Company meets certain criteria as established under the Program. The Company filed an application for forgiveness on March 16, 2021 and in June 2021, the entire balance was forgiven. The Company recorded a gain on forgiveness of debt during the period from January 1 to September 30, 2021 which is reported under other income on the consolidated statement of operations within other expense, net.

CoBank Credit Agreement (Predecessor)

Prior to the Acquisition, the Company had an outstanding credit agreement with CoBank. As part of the credit agreement, the Company had a combined amount outstanding on a term loan, delayed draw term loan, and revolving credit facility of $135,262,484.

The Company had an available revolving loan commitment with CoBank on which it may have borrowed up to $20,000,000. Borrowings of $2,262,484 were outstanding on the revolving loan prior to the Acquisition.

10. Notes Payable (continued)

The Company had an available delayed draw term loan with CoBank on which it could have borrowed an additional $45,000,000. Borrowings of $40,000,000 were outstanding on the delayed draw term loan prior to the Acquisition.

On October 1, 2021 as part of the acquisition by Point Broadband Acquisition the entire debt to CoBank was paid off and the agreement was extinguished. The net payoff amount was $135,986,850, which included a payment of $135,262,484 for principal, $43,148 for interest and breakage, $536,000 for obligations pursuant to a secured hedge, and $145,218 for a commitment fee.

11. Capital Lease Obligations

The Company has acquired vehicles through capital lease agreements with Altec Capital and Farm Credit Leasing. Obligations under capital lease have been recorded at the present value of future minimum lease payments using interest rates from 0% to 8.39%. The capitalized cost of $1,864,245 less accumulated depreciation of $465,644 is included in property, plant, and equipment at December 31, 2021.

Scheduled future minimum lease payments under capital leases together with present value of the net minimum lease payments are as follows:

For the years ending:		
December 31, 2022	$	348,308
December 31, 2023		322,518
December 31, 2024		254,649
December 31, 2025		203,734
December 31, 2026		124,197
Thereafter		–
Total minimum lease payments		1,253,406
Less current portion		(348,307)
Long-term obligation	$	905,099

12. Commitments and Contingencies

The Company has pledged to guaranty letters of credit to cover reimbursement obligations issued to Universal Service Administrative Company related to CAF II and RDOF grants as well as to Empire State Development to cover New York state grants. No liability is required to be recorded by the Company. The balance on the letters of credit at December 31, 2021 was $16,026,799.

The Company leases office space and certain equipment under noncancelable operating leases which expire at various dates through 2030. In addition to the monthly payments under the leases, the Company is responsible for real estate taxes, insurance, maintenance and operating costs. Future minimum lease payments (not including common area maintenance and taxes) under these lease agreements at December 31, 2021 are approximately as follows:

For the years ending:	
December 31, 2022	$ 1,782,823
December 31, 2023	1,573,742
December 31, 2024	1,468,899
December 31, 2025	818,304
December 31, 2026	573,494
Thereafter	862,810
Total	$ 7,080,072

Rent expense for the period from October 1 to December 31, 2021 (Successor) and for the period from January 1 to September 30, 2021 (Predecessor) was approximately $861,567 and $2,111,917, respectively.

13. Members' Equity

Successor

The equity structure of the Company in the successor period is a result of a contribution of $375,350,000 from Point Broadband Holdings, LLC as part of the Acquisition. The Company is an indirect wholly owned subsidiary of Point Broadband Holdings, LLC. The contribution amount is comprised of $56,796,250 of rollover equity and a $318,553,750 cash investment from GTCR and other investors. Point Broadband Acquisition's equity structure is described within the Limited Liability Company Agreement (LLC Agreement). The LLC Agreement permits the issuance of one hundred units of limited liability company interest, all of which shall be of one class and shall be designated as Common Units and all of which shall be issued to the Member. Point Broadband Intermediate, LLC is the Member of the LLC Agreement and is also a wholly owned subsidiary of Point Broadband Holdings, LLC.

Share-Based Compensation

On October 1, 2021, the amended and restated LLC Agreement for Point Broadband Holdings, LLC put in place a plan to issue Management Incentive units. Point Broadband Holdings, LLC may, subject to the approval of the Board of Directors, issue or sell Class C Units to any existing or new employee, officer, director, consultant, or other Person or service provider of Point Broadband Holdings, LLC or any of its Subsidiaries (including any Management Holdco) pursuant to a Senior Management Agreement approved by the Board of Directors, which agreement shall contain such provisions as the Board of Directors shall determine. Under the Incentive Plan, Point Broadband Holdings, LLC provides share-based compensation awards to employees including time vesting incentive units (collectively, the Incentive Units or C Units). C Units are defined within the Point Broadband Holdings, LLC Agreement as a Unit representing a fractional part of the interest of a Unitholder in Profits, Losses, and Distributions and having the rights, powers, and obligations specified with respect to the Class C Units. Stock-based compensation expense related to the Company's employees has been recorded in the consolidated financial statements.

As part of the Point Broadband Holdings, LLC Agreement, Section 3.1, Point Broadband Holdings, LLC is authorized to issue unlimited Incentive Units. As of December 31, 2021, Point Broadband Holdings, LLC has issued 97,850 Class C units to 35 employees.

13. Members' Equity (continued)

The Class C Units are structured as time vesting incentive units that become vested at 20% on each of the first five anniversaries of the effective date and requires the employee to remain employed from the effective date through the applicable anniversary date. No units were vested as of December 31, 2021. Upon the occurrence of a sale of the Company in the future, all Incentive Units which have not become vested shall become vested as of the date of consummation of the sale. In the event of a separation, all unvested Incentive Units automatically will be forfeited and deemed canceled and no longer outstanding without any payment and all vested Incentive Units will be subject to a right of repurchase at fair value by Point Broadband Holdings, LLC. Point Broadband Holdings, LLC may assign its repurchase rights to any person. Total share-based compensation expense of $413,910 was recognized in operating expenses on the consolidated statement of operations and comprehensive loss for the period from October 1, 2021 to December 31, 2021 (Successor).

To determine the fair value of units issued in 2021, the Company used a third-party valuation specialist to calculate the enterprise value as determined by discounted cash flow, guideline public company, and merger and acquisition valuation methodologies. The specialist allocated the Company's aggregate equity value among the securities that comprise the capital structure of the Company using the Option-Pricing Method.

The incentive units are service condition awards only; as such, the Company has elected to account for forfeitures as they occur and adjust compensation expense, accordingly, as permitted by ASU 2016-09. As of December 31, 2021, there were zero units forfeited.

Refer to the table below for a summary of significant inputs and assumptions used to value the Class C Incentive Units:

	December 31, 2021
Assumed value of equity	$ 390,064,000
Risk-free rate of interest	0.9%
Expected time to a liquidity event (in years)	5
Expected volatility of equity	47.5%
Discount for lack of marketability	31.0%

13. Members' Equity (continued)

Refer to the table below for a summary of the Level 3 fair value measurements:

	Level 3 Fair Value Measurement		
	Class C Incentive Units	Weighted Average Grant Date Fair Value Per Unit	Fair Value Per Unit
Balance at October 1, 2021	–	$ –	$ –
Granted	97,850	84.60	122.61
Forfeited or cancelled	–	–	–
Balance at December 31, 2021	97,850	$ 84.60	$ 122.61

Predecessor

Prior to the Acquisition, Point Broadband Fiber Holding, LLC had five classes of shares outstanding – Series A, B, and C Preferred Shares, as well as a class of common shares, and Series E restricted shares.

The Preferred Series A, B, and C shares were convertible into 1.0 common shares. The Series A shares had a liquidation preference of $1.94 per share. The Series B shares had a liquidation preference of $2.53 per share. The 7,776,600 Series C shares issued in 2019 had a liquidation preference of $3.00 per share. The 8,750,001 Series C shares issued in 2020 had a liquidation preference of $4.00 per share.

In the event of a distribution of capital proceeds, the liquidation preference of the Series A, Series B, and Series C Preferred shares would have been applied with the following priority: first to Series C shares, second to Series A shares and Series B shares combined on a pro rata basis.

As part of the acquisition by Point Broadband Acquisition, all predecessor equity was retired. Refer to successor period discussion for the new equity structure.

14. Prior Period Restatement

The prior period acquisitions of Crystal Automation Systems, Inc. (Casair) on September 1, 2020, and Hagerstown Fiber Internet, LLC (Hagerstown) on January 31, 2020, included earnout payments to the sellers at a future point in time if certain performance metrics were achieved.

The Company did not recognize a liability for these earnout provisions as of December 31, 2020. An adjustment was made in the current year to recognize the fair value of the earnout liability for both entities as of December 31, 2020. By correcting the error, goodwill increased by $5,987,459 and accrued liabilities increased by $7,139,662 as of December 31, 2020, and Earnout expense (gain) and net loss increased by $1,152,203 for the year ending December 31, 2020. The effect of these errors has been reflected as an adjustment to opening accumulated deficit in the consolidated statement of members' equity as of January 1, 2021.

15. Subsequent Events

The Company has evaluated subsequent events through May 25, 2022, which is the date these consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2021, have been incorporated into these consolidated financial statements.

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