S-37149

ATTACHMENT A

UNITED STATES OF AMERICA

State of Louisiana

R. Kyle Ardoin

SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that

the attached document(s) of

AMG TECHNOLOGY INVESTMENT GROUP, LLC

are true and correct and are filed in the Louisiana Secretary of State's Office.

44188146Q	FOREIGN LLC	ORIGF	12/14/2020	4 page(s)
45160621	FOREIGN LLC	22 AR	11/16/2022	1 page(s)

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

May 3, 2023

Secretary of State

WEB 44188146Q

Certificate ID: 11725360#NVM73

To validate this certificate, visit the following web site, go to **Business Services, Search for Louisiana Business Filings, Validate a Certificate**, then follow the instructions displayed.

www.sos.la.gov

APPLICATION FOR AUTHORITY

TO TRANSACT BUSINESS IN LOUISIANA

(R.S. 12:1345)

This Company is For:
BUSINESS

Limited Liability Company Name:
AMG TECHNOLOGY INVESTMENT GROUP, LLC

Previous Company Name:

Date of Organization:
01/03/2012

Period of Duration:
PERPETUAL

Principal office address in state or country of incorporation/organization:
95 PARKER OAKS LANE
HUDSON OAKS, TX, 76087

Principal business office address:
95 PARKER OAKS LANE
HUDSON OAKS, TX, 76087

Principal business establishment in Louisiana:
3867 PLAZA TOWER DRIVE
BATON ROUGE, LA, 70816

Registered office address in Louisiana:
3867 PLAZA TOWER DR.
BATON ROUGE, LA, 70816

Mailing Address:
95 PARKER OAKS LANE
HUDSON OAKS, TX, 76087

Registered agent's name and address in Louisiana:
C T CORPORATION SYSTEM
3867 PLAZA TOWER DR.
BATON ROUGE, LA, 70816

The name and municipal address (not a P.O. Box only) of the managers or members:
COMO WIRELESS, LLC (MANAGER)
95 PARKER OAKS LANE
HUDSON OAKS, TX, 76087

Nature of Business to be transacted in Louisiana:
TELECOMMUNICATION SERVICES

The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to fine or imprisonment or both under R.S. 14:133.

BY TYPING MY NAME BELOW, I HEREBY CERTIFY THAT I AM A MEMBER/MANAGER

ELECTRONIC SIGNATURE: WILLIAM H. BAKER (12/14/2020)
TITLE: MEMBER

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Ruth R. Hughs
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for AMG Technology Investment Group, LLC (file number 801529336), a Domestic Limited Liability Company (LLC), was filed in this office on January 03, 2012.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 11, 2020.

Ruth R. Hughs
Secretary of State

SECRETARY OF STATE

Agent Affidavit and Acknowledgement of Acceptance

Charter Number: 44188146Q

Charter Name: AMG TECHNOLOGY INVESTMENT GROUP, LLC

The agent / agents listed below accept the appointment of registered agent for and on behalf of the Charter Name above.

Date Responded	Agent(s)	Agent(s) Electronic Signature
12/14/2020	C T CORPORATION SYSTEM	JAMES H TANKS III

R. Kyle Ardoin
Secretary of State

LIMITED LIABILITY COMPANY ANNUAL REPORT

For Period Ending
12/14/2022

44188146Q
2022

Mailing Address Only (INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)

44188146 Q 1
AMG TECHNOLOGY INVESTMENT GROUP, LLC

95 PARKER OAKS LANE
HUDSON OAKS, TX 76087

(INDICATE CHANGES TO THIS ADDRESS IN THIS BOX)
Domicile Street Address in State Where Organized (Do not use P. O. Box)
95 PARKER OAKS LANE
HUDSON OAKS, TX 76087

Federal Tax ID Number

Our records indicate the following registered agents for this company. Indicate any changes or deletions below. All agents must have a Louisiana address. Do not use a P. O. Box. A
NEW REGISTERED AGENT REQUIRES A NOTARIZED SIGNATURE.
C T CORPORATION SYSTEM
3867 PLAZA TOWER DR. BATON ROUGE, LA 70816

I hereby accept the appointment of registered agent(s).

New Registered Agent Signature

Sworn to and subscribed before me on
NOTARY NAME MUST BE TYPED OR PRINTED WITH NOTARY #

Notary Signature **Date**

This report reflects a maximum of three members/managers for the company. Indicate any changes or deletions below. Include a listing of all names and addresses. Do not use a P. O. Box. If additional space is needed attach an addendum. ***Officer titles, such as president or secretary are not acceptable*** .

COMO WIRELESS, LLC Manager
95 PARKER OAKS LANE HUDSON OAKS, TX 76087

Our records indicate the following addresses for the corporation. Indicate any changes below.

Principal business office wherever located:
95 PARKER OAKS LANE HUDSON OAKS, TX 76087
Registered office in Louisiana (Must be the same as agent's address):
3867 PLAZA TOWER DR. /BATON ROUGE, LA 70816
Principal business establishment in Louisiana (Do not use a P. O. Box):
3867 PLAZA TOWER DRIVE /BATON ROUGE, LA 70816

The filing of a false public record, with the knowledge of its falsity, is a crime, subjecting the filer to the fine or imprisonment or both under R.S. 14:133.

	To be signed by authorized individual	Title	Phone	Date
SIGN →	Eric Pyland (SIGNED ELECTRONICALLY)	CFO		11/16/2022
	Signee's address	Email Address ON FILE		(For Office Use Only)

Enclose filing fee of $30.00 Return by: 12/14/2022

Make remittance payable to Secretary of State
Do Not Send Cash
Do Not Staple

To: **Commercial Division**
P. O. Box 94125
Baton Rouge, LA 70804-9125
Phone (225) 925-4704

web site: www.sos.louisiana.gov **DO NOT STAPLE**

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UNSIGNED REPORTS WILL BE RETURNED

ATTACHMENT B

UNITED STATES OF AMERICA

State of Louisiana

UNION JUSTICE AND CONFIDENCE

R. Kyle Ardoin

SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that

AMG TECHNOLOGY INVESTMENT GROUP, LLC

A limited liability company domiciled in HUDSON OAKS, TEXAS,

Filed charter and qualified to do business in this State on December 14, 2020,

I further certify that the records of this Office indicate the company has paid all fees due the Secretary of State, and so far as the Office of the Secretary of State is concerned, is in good standing and is authorized to do business in this State.

I further certify that this certificate is not intended to reflect the financial condition of this company since this information is not available from the records of this Office.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

May 3, 2023

Secretary of State

Web 44188146Q

STATE OF LOUISIANA · UNION · JUSTICE · CONFIDENCE · SECRETARY OF STATE

Certificate ID: 11725359#PVM73

To validate this certificate, visit the following web site, go to Business Services, Search for Louisiana Business Filings, Validate a Certificate, then follow the instructions displayed.
www.sos.la.gov

ATTACHMENT C

Report of Independent Auditors
and Consolidated Financial Statements

AMG Technology Investment Group, LLC
and Subsidiaries
d/b/a Nextlink Internet

December 31, 2022 and 2021

MOSSADAMS

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MOSSADAMS

Report of Independent Auditors

The Board of Directors
AMG Technology Investment Group, LLC and Subsidiaries
d/b/a Nextlink Internet

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet as of December 31, 2022 and 2021, 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 AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 7 to the consolidated financial statements, in 2022, the Company adopted Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet's ability to continue as a going concern within 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 consolidated 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 consolidated 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 AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet'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 AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet'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.

Moss Adams LLP

Overland Park, Kansas
April 27, 2023

Consolidated Financial Statements

AMG Technology Investment Group, LLC
d/b/a Nextlink Internet
Consolidated Balance Sheets
December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 310,612	$ 1,486,582
Accounts receivable, net	7,681,104	1,352,099
Accounts receivable, related party	1,535,818	1,696,385
Inventory	32,502,219	24,277,552
Prepaid expenses	1,413,983	1,445,042
Total current assets	43,443,736	30,257,660
NONCURRENT ASSETS		
Intangible assets, net	29,608,161	29,799,392
Operating right-of-use assets, net	93,039,689	-
Goodwill	2,848,157	1,478,157
Total noncurrent assets	125,496,007	31,277,549
PROPERTY, PLANT, AND EQUIPMENT		
Property and equipment, net	273,998,730	184,538,997
Total property, plant, and equipment	273,998,730	184,538,997
TOTAL ASSETS	$ 442,938,473	$ 246,074,206
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 12,650,981	$ 9,984,507
Current maturities of long-term debt	2,434,361	2,107,041
Current maturities of operating lease liabilities	6,635,894	-
Current maturities of finance lease liabilities	141,891	174,059
Deferred revenue	6,312,943	6,341,774
Accrued liabilities	24,102,529	14,754,151
Total current liabilities	52,278,599	33,361,532
NONCURRENT LIABILITIES		
Long-term debt	117,661,986	44,411,394
Operating lease liabilities	86,858,293	-
Finance lease liabilities	60,929	206,370
Total noncurrent liabilities	204,581,208	44,617,764
Total liabilities	256,859,807	77,979,296
MEMBERS' EQUITY		
Additional paid-in capital	89,502,696	92,096,130
Retained earnings	96,575,970	75,998,780
Total members' equity	186,078,666	168,094,910
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 442,938,473	$ 246,074,206

See accompanying notes.

AMG Technology Investment Group, LLC
d/b/a Nextlink Internet
Consolidated Statements of Income
Years Ended December 31, 2022 and 2021

	2022	2021
SALES AND REVENUE	$ 135,495,650	$ 106,577,292
COST OF SALES	17,946,268	13,257,506
Gross profit	117,549,382	93,319,786
OPERATING EXPENSES		
Operating expenses	53,960,827	39,718,924
Depreciation and amortization	35,662,873	23,992,357
Total operating expenses	89,623,700	63,711,281
Operating income	27,925,682	29,608,505
OTHER INCOME (EXPENSE)		
Gain (loss) on disposal of assets	58,547	(344,469)
Loss on extinguishment of debt	-	(788,927)
Gain on extinguishment of PPP loan	-	3,305,793
Interest expense	(6,883,438)	(3,858,965)
Other expense	(635,788)	(461,282)
Total other expense	(7,460,679)	(2,147,850)
NET INCOME	$ 20,465,003	$ 27,460,655

See accompanying notes.

AMG Technology Investment Group, LLC
d/b/a Nextlink Internet
Consolidated Statements of Members' Equity
Years Ended December 31, 2022 and 2021

	Capital Contributions Receivable	Additional Paid-In Capital	Retained Earnings	Total Members' Equity
BALANCE, December 31, 2020	$ (182,800)	$ 34,696,800	$ 48,538,125	$ 83,052,125
Issuance of membership units	-	85,000,000	-	85,000,000
Capital contribution	182,800	-	-	182,800
Repurchase of membership units	-	(26,687,793)	-	(26,687,793)
Member distributions	-	(912,877)	-	(912,877)
Net income	-	-	27,460,655	27,460,655
BALANCE, December 31, 2021	-	92,096,130	75,998,780	168,094,910
Repurchase of membership units	-	(2,083,333)	-	(2,083,333)
Member distributions	-	(3,989,178)	-	(3,989,178)
Other equity adjustment	-	3,479,077	112,187	3,591,264
Net income	-	-	20,465,003	20,465,003
BALANCE, December 31, 2022	$ -	$ 89,502,696	$ 96,575,970	$ 186,078,666

See accompanying notes.

AMG Technology Investment Group, LLC
d/b/a Nextlink Internet
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 20,465,003	$ 27,460,655
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	35,438,936	23,828,330
Amortization of goodwill and intangible assets	223,937	164,027
Amortization of debt issuance costs	882,095	725,933
Gain on disposal of assets	(58,547)	(2,172,397)
Gain on extinguishment of PPP loan	-	(3,305,793)
Loss on extinguishment of debt	-	788,927
Deferred compensation expense	3,591,264	-
Change in assets and liabilities		
Accounts receivable	(6,329,005)	853,586
Accounts receivable, related party	160,567	(1,593,880)
Prepaid expenses	31,059	(277,280)
Right-of-use assets	(14,321,835)	-
Accounts payable	2,666,474	(526,671)
Deferred revenues	270,654	706,045
Accrued liabilities	5,359,200	8,618,945
Operating lease liabilities	14,476,848	-
Net cash from operating activities	62,856,650	55,270,427
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	(32,706)	(1,167,276)
Additions to plant	(126,210,122)	(102,771,673)
Purchase of construction inventory	(8,224,667)	(12,476,534)
Assets acquired from business combination, net	-	(2,925,157)
Net cash from investing activities	(134,467,495)	(119,340,640)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of membership units	-	85,182,800
Repurchase of membership units	(2,083,333)	(26,687,793)
Payments on finance leases	(177,609)	(1,104,903)
Proceeds from long-term debt	76,676,826	48,923,741
Payments on long-term debt	(4,370,501)	(38,807,693)
Payment of deferred loan costs	389,492	(3,072,083)
Net cash from financing activities	70,434,875	64,434,069
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,175,970)	363,856
CASH AND CASH EQUIVALENTS, beginning of year	1,486,582	1,122,726
CASH AND CASH EQUIVALENTS, end of year	$ 310,612	$ 1,486,582
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the year for interest	$ 4,682,824	$ 4,131,860
Noncash financed capital lease equipment acquired	$ -	$ 244,770

See accompanying notes.

AMG Technology Investment Group, LLC
d/b/a Nextlink Internet
Notes to Consolidated Financial Statements

Note 1 – Corporate Formation

AMG Technology Investment Group, LLC and Subsidiaries, d/b/a Nextlink Internet (collectively, the Company), a Texas limited liability company, was formed January 2012 to provide high speed internet and voice services. The Company uses fixed wireless and fiber optic technologies to provide their services throughout the central United States to residential, business, K-12 Education, and government customers. The Company headquarters is located in Hudson Oaks, Texas.

Members' equity in the Company is represented by a members' percentage of total contributed capital. The allocation of profits and losses are based on the percentage of each member's ownership. As a limited liability company, each member's liability is limited to amounts reflected in their respective member accounts plus any debt for which a personal guarantee has been given. Under the terms of the limited liability company operating agreement, the Company's existence is perpetual.

Note 2 – Significant Accounting Policies

Principles of consolidation – The consolidated financial statements include the accounts of AMG Technology Investment Group, LLC d/b/a Nextlink Internet and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Membership units – The company agreement authorizes the managers to raise capital for the Company by offering and selling units in the maximum aggregate amount of 650,000. Units have a zero-par value and have equal voting power. In November 2021, the Company amended and restated its company agreement to incorporate preferred members. At December 31, 2022 and 2021, the Company had 410,633 and 415,738 issued and outstanding membership units.

Accounting estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and cash equivalents – For the purpose of the consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Concentration of market and credit risk – During 2022 and 2021, the Company received a significant portion of its annual operating revenues from universal service support from the Connect America Fund Phase II Auction (CAF II) support, and, beginning in 2022, the Rural Digital Opportunity Fund (RDOF). For the years ended December 31, 2022 and 2021, revenues from universal service support represented approximately 31% and 26% of operating revenues, respectively.

The Company maintained bank balances in excess of federally insured limits with any one financial institution. The insured limit is $250,000 per institution. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

Accounts receivable – Accounts receivable are recorded at the invoiced amount. Past due balances that are delinquent beyond the acceptable terms of credit for each customer are reviewed individually for collectability. Interest is not charged on overdue accounts. Receivables past due more than 90 days are considered delinquent. At December 31, 2022 and 2021, the allowance for doubtful accounts was $1,115,471 and $381,212.

Inventory – Inventory consists of installation materials, infrastructure equipment, and VoIP equipment, which are stated at the lower of average cost or net realizable value.

Fair value measurements – Fair value represents the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The Company follows a fair value hierarchy; that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following are the three levels of inputs that may be used to measure fair value:

> **Level 1** – Quoted prices in active markets for identical assets or liabilities.
>
> **Level 2** – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.
>
> **Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following methods were used to estimate the fair value of all other financial instruments not recognized at fair value in the accompanying consolidated balance sheets:

Cash and cash equivalents – The carrying amounts approximate fair value because of the short maturity of those instruments.

Accounts receivable, prepaid expenses, accounts payable, deferred revenue, and accrued liabilities – The carrying amounts approximate fair value because of the short maturity of those instruments.

Long-term debt and lease obligations – The carrying value of the Company's long term obligations approximate fair value because the interest rate approximates current market rates.

Property and equipment – Property and equipment are stated at historical cost, less accumulated depreciation, and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the asset.

Intangible assets – Intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. Other intangible assets are amortized over their useful lives.

Management has determined FCC licenses should be accounted for as indefinite-lived assets because renewals occur at a nominal cost and there are currently no factors that limit the useful life of the wireless spectrum. Management has determined the fair value of the assets equals or exceeds the carrying value.

Goodwill – Goodwill represents the excess of consideration paid over the estimated fair market value of assets acquired in business combinations. Management has elected to amortize goodwill over a ten-year period.

Leases – An agreement is determined to be a lease if it conveys to the Company the right to control the use of an identified asset for a period of time in exchange for consideration. This determination is made at contract inception. For leases with a term greater than 12 months, the Company recognizes a right-of-use asset and a lease liability based on the present value of lease payments over the lease term. The discount rate applied to determine the present value of the future lease payments is based on the Company's incremental borrowing rate which is derived from recent secured borrowing arrangements entered into by the Company and publicly available information for instruments with similar terms.

Long-lived assets – The Company reviews its long-lived assets whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. When such events occur, the Company determines potential impairment by comparing the carrying value of its assets with the sum of the undiscounted cash flows expected to be provided by operating and eventually disposing of the asset. Should the sum of the expected future net cash flows be less than carrying values, the Company would determine whether an impairment loss should be recognized. At December 2022 and 2021, the Company did not have impaired long-lived assets.

Advertising costs – Advertising costs are expensed as incurred. Advertising expenses were $2,744,412 and $1,380,156 for the years ended December 31, 2022 and 2021, respectively.

Taxes imposed by governmental authorities – The Company's customers are subject to taxes assessed by various governmental authorities on many different types of revenue transactions with the Company. These specific taxes are charged to and collected from the Company's customers and subsequently remitted to the appropriate taxing authority. The taxes are accounted for on a net basis and excluded from revenues.

Income taxes – The Company is organized as an LLC. No provision is made for federal income taxes as the Company's net income is reported on tax returns of its members. The Company files Texas state franchise tax, provisions for which are included in the operating expenses of the Company.

The Company records uncertain tax positions if the likelihood the position will be sustained upon examination is less than 50%. As of December 31, 2022 and 2021, the Company had no amount related to uncertain tax positions. Interest and penalties, if any, are recorded as interest expense and other expense, respectively.

Revenue recognition – The Company provides Internet and VoIP services to residential, business, commercial, and enterprise customers within its geographic footprint. The majority of the Company's residential customer revenue is based on month-to-month contracts while larger enterprise customers have contracts with defined terms of service that can range from one to three years.

The Company recognizes revenue for services as it provides the applicable service or when control of a product is transferred. Recognition of certain payments received in advance of services provided is deferred until the service is provided, i.e., when the Company satisfies its performance obligation.

Miscellaneous revenues include contractually determined arrangements for the provision of other various services incidental to the Company's core service offerings and are recognized in the period when the services are performed.

The Company receives universal service support to provide assistance with the cost of providing broadband service to high-cost areas. Support primarily consists of funds received from CAF II and RDOF. Both CAF II and RDOF support are fixed for a ten-year period and require the Company to meet certain buildout obligations. The Company began receiving CAF II during 2019 and RDOF during 2022.

Recently adopted accounting standards – As of January 1, 2022, the Company adopted Accounting Standards Codification (ASC) 842, *Leases,* using the optional transitional method. The standard establishes a new accounting model for leases, which requires lessees to recognize right-of-use (ROU) assets and lease liabilities on the consolidated balance sheets but lease expense will be recognized on the income statement in a manner similar to previous requirements. Under the optional transitional method, the new standard was adopted using the modified retrospective approach on the date of adoption. Accordingly, information presented for periods prior to 2022 have not been recast and continue to be reported in accordance with historical accounting policies.

As part of the adoption, the Company elected the package of practical expedients permitted under the transition guidance within the new standard and did not reassess: (1) whether an expired lease or existing contract is a lease or contains an embedded lease; (2) lease classification of an expired or existing lease; and (3) initial direct costs for an existing lease.

The adoption of the new lease standard resulted in the recognition of right-of-use assets and lease liabilities of approximately $79 million for historical operating leases, while our accounting for historical financing leases remained substantially unchanged.

Reclassifications – Certain reclassifications have been made to the 2021 consolidated financial statements to conform to the 2022 presentation. There is no effect from reclassifications on previously reported net income or members' equity.

Note 3 – Capital Contributions

In November of 2021, the Company sold a total of 61,263 membership units to unrelated third parties for proceeds totaling $85,000,000. Members received a distribution of 7% compounded annually on their initial investment until Rural Digital Opportunity Fund payments commenced in 2022, at which time distributions reduced to 5% compounded annually. As of December 31, 2022 and 2021, the Company owed $4,902,055 and $912,877, respectively, in member distributions, which have been recorded in accrued liabilities on the consolidated balance sheets.

Note 4 – Property and Equipment

Property and equipment at December 31, 2022 and 2021, consists of the following:

	Depreciable Life (years)	2022 Balance	2021 Balance
CPE, tower, and network	5–15	$ 314,856,081	$ 200,724,774
Office equipment	5–7	5,352,361	4,894,005
Tools and equipment	5–7	9,642,756	7,898,094
Software	3	6,255,018	4,501,149
Vehicles	3–5	31,942,187	25,873,748
Other assets	3–5	228,251	228,251
Leasehold improvements	3	767,031	436,020
Total property and equipment		369,043,685	244,556,041
Accumulated depreciation		(95,044,955)	(60,017,044)
Total		$ 273,998,730	$ 184,538,997

During 2022, the Company acquired Airlink, Bluestem Network, BSpeedy Wireless, Roll Call Security, and Texas Data Net for approximately $5,315,000 in five separate asset purchase agreements. The purchases consisted primarily of CPE, tower, and network assets and qualified as asset purchases.

During 2021, the Company acquired Infinity 8 Broadband, FutureTech Wireless, Data CC, Talley, and Martineer for approximately $10,635,000 in five separate asset purchase agreements. The purchases consisted primarily of CPE, tower, and network assets and qualified as asset purchases. The assets from the acquisitions are included in CPE, tower, and network assets.

Depreciation expense was $35,438,936 and $23,828,330 for the years ended December 31, 2022 and 2021, respectively.

Note 5 – Intangible Assets

Intangible assets include the following at December 31, 2022 and 2021:

	Life	Cost	Accumulated Amortization	2022 Net Balance	2021 Net Balance
FCC licenses	N/A	$ 29,819,141	$ -	$ 29,819,141	$ 29,796,780
Noncompete agreement	10 years	220,000	166,667	53,333	75,333
Other	10 years	108,282	43,615	64,667	62,777
Goodwill	10 years	2,848,157	328,980	2,519,177	1,342,659
Total		$ 32,995,580	$ 539,262	$ 32,456,318	$ 31,277,549

Amortization expense was $223,937 and $164,027 for the years ended December 31, 2022 and 2021, respectively.

Estimated amortization expense for definite-lived intangible assets for the next five years at December 31, 2022, is as follows:

2023	$ 223,389
2024	223,389
2025	210,722
2026	201,389
2027	201,389
Thereafter	1,576,899
Total	$ 2,637,177

Note 6 – Long-Term Debt

Long-term debt is as follows as of December 31:

	Interest Rates	Maturity Dates	2022	2021
BMO Term Loan	6.06% – 7.97%	2026	$ 42,859,213	$ 7,031,645
BMO Revolving Credit Facility	3.50%	2026	72,050,000	31,050,000
BMO Swingline Credit Facility	9.50%	2026	233,827	4,046,028
Vehicle loans - various lenders	3.99% – 5.69%	2023 – 2026	5,791,066	5,743,535
Equipment loans - various lenders	0% – 5.50%	2023 – 2026	1,085,559	1,066,903
			122,019,665	48,938,111
Less unamortized debt issuance costs			(1,923,318)	(2,419,676)
Total debt			120,096,347	46,518,435
Less current maturities of long term-debt			(2,434,361)	(2,107,041)
Total long-term debt			$ 117,661,986	$ 44,411,394

Maturities of long-term debt for the four years following December 31, 2022, are as follows:

2023	$ 2,434,361
2024	2,471,379
2025	1,758,902
2026	115,355,023
	122,019,665
Less unamortized debt issuance costs	(1,923,318)
Total	$ 120,096,347

Bank of Montreal – During 2021, the Company entered into a new credit facility with Bank of Montreal. The new facility provides for $250,000,000 of debt consisting of a $70,000,000 revolver, a $5,000,000 swingline, a $50,000,000 delayed draw term loan, and $125,000,000 of letters of credit.

During 2022, the Company amended their credit facility with Bank of Montreal. The amendment provides for a $25,000,000 decrease to the letters of credit and a corresponding $25,000,000 increase to the revolver.

Substantially, all assets of the Company are pledged as collateral on this debt. The loan agreement contains provisions and restrictions pertaining to, among other things, the maintenance of defined ratios for leverage, fixed charge coverage, and other operational requirements related to universal service support received by the Company.

Texas capital – In February 2021, the Company restructured their debt with Bank of Montreal and eliminated all debt balances held with Texas Capital Bank. The restructured agreement released the Company from the debt issuance fees associated with their prior debt balances. The balance was written off and recorded as a loss on debt extinguishment, which is included in other income on the consolidated statement of income.

Paycheck Protection Program – In 2020, the Company received loan proceeds of approximately $3,284,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes.

During 2021, the Company applied for and received loan forgiveness for its PPP loan and accrued interest, which totaled $3,305,793. Loan forgiveness was recorded as a gain on debt extinguishment and is included in other income (expense) in the consolidated income statement.

Note 7 – Leases

The Company enters into agreements for land, land easements, and tower space. These assets are utilized in the provision of broadband and telecommunications services to the Company's customers. The Company's leases have remaining lease terms ranging from 1 year to 20 years and may include one or more options to renew, which can extend the lease term from one to five years or more. The Company's leases may also include scheduled rent increases and options to extend or terminate the lease which is included in the determination of lease payments when it is reasonably certain that the Company will exercise that option. For all asset classes, the Company does not separate lease and nonlease components, but rather account for the components as a single lease component. Operating lease expense is recognized on a straight-line basis over the lease team and is included in operating expenses in the consolidated statements of income.

Leases with a term of 12 months or less are not recognized on the balance sheet and the expense for these short-term leases is recognized on a straight-line basis over the lease term. Variable lease payments are expensed in the period incurred.

The components of lease expense for the year ended December 31, 2022, consisted of the following:

	2022
Finance lease cost	
Amortization of right-of-use assets	$ 270,425
Interest on lease liabilities	9,236
Operating lease costs	8,181,715
Total lease cost	$ 8,461,376

The Company's maturity analysis of lease liabilities as of December 31, 2022, were as follows:

	Operating Leases	Financing Leases
2023	$9,524,631	$ 152,869
2024	9,475,138	56,925
2025	9,458,287	-
2026	9,409,737	-
2026	9,298,698	-
Thereafter	71,697,549	-
Total lease payments	118,864,040	209,794
Less interest	(25,369,853)	(6,974)
Present value of lease liabilities	93,494,187	202,820
Less current obligation	(6,635,894)	(141,891)
Long-term obligation	$ 86,858,293	$ 60,929

The following table presents supplemental cash flow information and other information related to leases for the year ended December 31, 2022:

	2022
Supplemental lease cash flow disclosure	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from financing leases	$ 270,425
Operating cash flows from operating leases	8,029,075
Financing cash flows from finance leases	9,236
Right-of-use assets obtained in exchange for new lease liabilities	
Operating leases	$14,321,835
Other Information	
Weighted average remaining lease term (in years)	
Finance leases	2
Operating leases	17
Weighted average discount rate	
Finance leases	5.5%
Operating leases	4.1%

Rent expense associated with all operating leases amounted to approximately $15,821,000 in 2021.

Note 8 – Related Party Transactions

The Company and its affiliates participated in various related party transactions as follows:

Property, plant, and equipment – The Company purchased office furniture from Mono-Parts, a related party through common ownership, totaling $62,736 for the year ended December 31, 2021.

Operating lease – The Company leases office, warehouse, and telecommunications towers from parties related through common ownership. The Company made lease payments totaling $3,954,045 and $3,235,793 to related parties for the years ended December 31, 2022 and 2021, respectively.

Equity – Como Wireless LLC holds approximately 74.46% of the Company's membership units and provides management services to the Company. The Company paid Como Investments management fees of $180,000 and $135,000 in 2022 and 2021, respectively.

Note 9 – Revenue Recognition

The following table provides disaggregation of revenue from contracts with customers:

	Year Ended December 31, 2022		
	Total	Revenue From Contracts With Customers	Other Revenue
Sales and Revenue	$ 135,495,650	$ 89,522,129	$ 45,973,521

	Year Ended December 31, 2021		
	Total	Revenue From Contracts With Customers	Other Revenue
Sales and Revenue	$ 106,577,292	$ 75,631,653	$ 30,945,639

Other revenue includes revenues received from federal universal service support programs and equipment rental which are not considered revenue from contracts with customers and are specifically scoped out of Accounting Standards Codification (ASC) 606.

Revenue from services is recognized over time as customers receive the services. Revenue from sales of equipment or other nonrecurring services are recognized at a point in time when control of the equipment is transferred or when service is rendered. Revenue earned at a point in time is not material.

The Company does not incur material customer acquisition cost. The cost of the Company's network and related equipment, and enhancements to the network required under customer contracts is accounted for in accordance with ASC 360, *Property, Plant, and Equipment.*

Contract liabilities associated with contracts with customers are recorded as deferred revenue in the consolidated balance sheets and were as follows at December 31:

	2022	2021
Contract liabilities		
Advanced billing	$ 3,445,827	$ 3,180,591
Deferred installation revenue	2,791,213	2,785,796

Amortization of deferred installation revenue is included in sales and revenue in the consolidated statements of income and was $1,819,712 and $1,577,129 for the year ended December 31, 2022 and 2021, respectively. Deferred installations are amortized over a three-year period.

Note 10 – Business Combination

Effective February 1, 2021, the Company completed a business combination of Affordable Internet Solutions, Inc. for $2,925,157. The business combination resulted in the Company recording CPE tower and installation assets of $1,419,000, vehicles of $28,000, and goodwill of $1,478,157. The Company is electing to amortize the goodwill associated with the business combination over a ten-year period.

Note 11 – Commitments

CAF II – The Company receives CAF II auction universal service support to assist in the provision of broadband Internet service to unserved areas in Illinois, Iowa, Kansas, Nebraska, Oklahoma, and Texas. The funding is subject to refunds and financial penalties to the extent the Company fails to meet its final broadband deployment obligation.

RDOF – During 2020, the FCC announced that the Company was provisionally awarded approximately $429,000,000 in RDOF support to assist with the provision of broadband Internet service to approximately 206,000 locations across 12 states. The funding is subject to refunds and financial penalties to the extent the Company fails to meet its final broadband deployment obligation. The Company began receiving funds related to RDOF in 2022.

Litigation – The Company has ongoing litigation regarding equipment placement violations, the latter of which is pending indemnification from an entity the Company purchased assets from. Management cannot assess the likelihood of a favorable or unfavorable outcome at this time.

Note 12 – Subsequent Events

Subsequent events are events or transactions that occur after the date of the consolidated balance sheets but before the consolidated financial statements are available to be issued. The Company recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheets, including the estimates inherent in the process of preparing the consolidated financial statements. The Company's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheets but arose after the date of the consolidated balance sheets and before the consolidated financial statements are issued. The Company has evaluated subsequent events through April 27, 2023, which is the date the consolidated financial statements are available to be issued.

ATTACHMENT D

Nextlink serves over 100,000 rural subscribers in small towns and communities across eleven states and the rural countryside with a blend of fiber and licensed fixed wireless technologies.

The following contacts below are the key managerial personnel who have helped make Nextlink's network expand into the eleven states.

Bill Baker

Chief Executive Officer

Bill co-founded Nextlink in 2012. He actively directs the operational and growth strategy, manages all aspects of the day-to-day operations, and sits on the boards of four other companies. Prior to Nextlink, Bill was a Senior Partner in KPMG's Deal Advisory practice, served in management roles at startups, and was in corporate development at a Fortune 100 company. Bill earned a BBA in Accounting and an MBA in Finance from Baylor University and is a licensed CPA in the state of Texas.

Seth Anderson

Chief Operating Officer

Seth joined Nextlink in 2019 as COO. He oversees the deployment and maintenance of the Nextlink network and customer-facing operations and is critical to meeting high quality service standards. Prior to Nextlink, Seth spent 20 years in the fixed wireless industry focused on deployment and maintenance of large-scale wireless networks and operations. Seth has a degree from Weber State University and a CCNA through Salt Lake Community College.

Cameron Kilton

Chief Technology Officer

Cameron joined Nextlink in 2020 as CTO. Cam is responsible for the technical direction of the company. As a hybrid solutions provider this includes Fixed Wireless, Fiber to the premise, IoT, Mobile traffic offloading and other areas focusing on providing best in class user experience. He has over 20 years of telecommunications industry experience designing, building, and operating wireless broadband, cellular, Advanced Metering Infrastructure (AMI), and fiber-optic network systems across the United States.

Eric Pyland

Chief Financial Officer

Eric joined Nextlink in 2018 as CFO. He is responsible for the overall financial strategy while overseeing the accounting and treasury functions in addition to human resources, regulatory reporting, facilities and warehouse operations. Before Nextlink, Eric spent 15 years with Goldman Sachs Group in various leadership roles. Eric also worked in the audit and M&A advisory practices at KPMG. Eric earned a BS in Accounting from the University of Texas at Dallas and is a licensed CPA in the state of Texas.

Claude Aiken

Chief Legal and Strategy Officer

Claude leads Nextlink's efforts on strategic market development, mergers and acquisitions (M&A), and leads the legal and government affairs practices. Prior to joining Nextlink, he was President & CEO of WISPA (Wireless Internet Service Providers Association), leading the association to significant growth in budget, membership, and industry relevance. He served as the advisor to the FCC (Federal Communications Commission) Chairman Wheeler and Commissioner Clyburn after nearly a decade at the FCC. Claude holds a law degree from New York Law School and an English degree from Grove City College.

Tim Kappell

Vice President of Finance

Tim joined Nextlink in 2020 as Director of Finance. Prior to Nextlink, Tim was a Director in Deal Advisory at KPMG for nearly ten years. Prior to KPMG, Tim was an audit Manager at Ernst & Young. Tim earned a BBA in Accounting from The University of Texas at Arlington and a MAcc from the University of Notre Dame.

David Law

Vice President of Field Deployment

David joined Nextlink when the company started in 2012 as an Infrastructure Supervisor to the current position he now holds. David manages all phases of planning and construction, through to activation of over 2,240 active towers serving close to 90,000 subscribers. He also has overall responsibility for Nextlink's field and operational deployment teams; including tower climbers, construction technicians, and electricians.

Mike Johnson

Vice President of Planning & Development

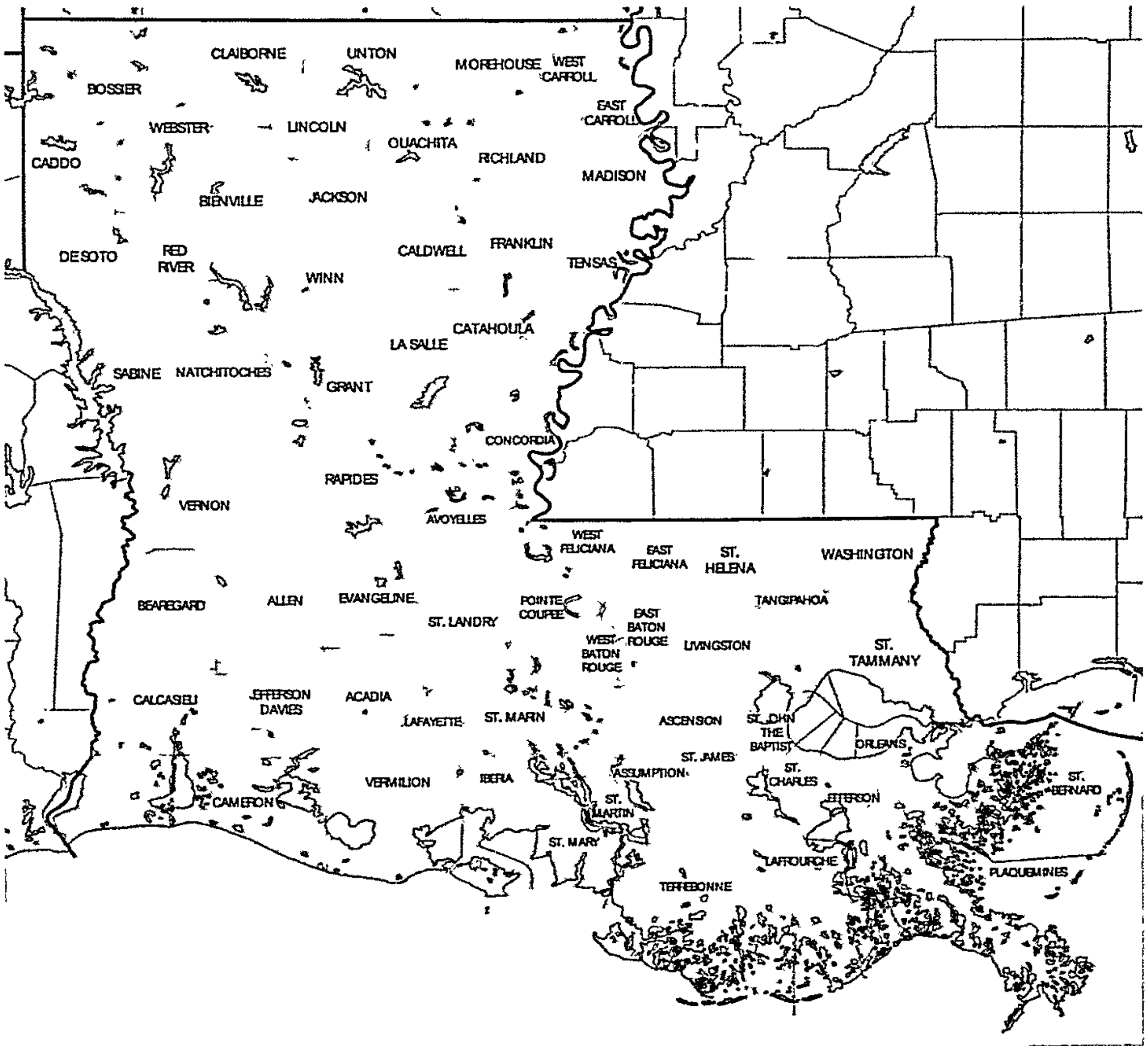
Mike joined Nextlink in 2019 as VP of Planning & Development. He has played a key role in the planning and development of Nextlink's fixed wireless and fiber deployment for CAF II, RDOF and expansion of the legacy network. Mike has planned and deployed over 1,300 wireless sites hundreds of fiber circuits to meet CAF II milestones and the operational needs of Nextlink. Prior to joining Nextlink, Mike was an enlisted Marine for 24 years. He led Marines in the planning, deploying, and executing of communication networks across the globe in hostile, humanitarian, and training environments supporting hundreds of Department of Defense personnel in austere conditions.

ATTACHMENT E

Nextlink Internet was founded in 2012 in Parker County outside Ft Worth, Texas and since then has grown to over 100,000 subscribers across eleven states with nearly 1,000 employees. Nextlink prides itself as being a rurally focused ISP with a focus on quality of service as well as customer service. During its 10-year history, Nextlink has received over 13,000 customer reviews on Google with a score of 4.8 out of 5.0 stars. While focused on rural communities and the surrounding countryside, Nextlink maintains a carrier-grade fiber and wireless network from core to edge for high reliability and redundancy. Our hybrid approach of multiple fiber paths and licensed wireless network links enables rapid speed to deployment across a rural environment at download speeds up to a gig. As an FCC E-rate partner, Nextlink is one of the largest providers of internet services to schools and libraries in the State of Texas. Also, Nextlink is an FCC awardee of the CAF2 rural broadband program and a winner of the FCC RDOF rural broadband program. As such, Nextlink is highly cognizant of the obligations that attach to federal or state grant awards. Overall, between FCC funding programs and its own capital, Nextlink is in the process of investing over $1 Billion to bring rural broadband across the Central United States. In addition, Nextlink prioritizes hiring locally so that our field personnel live in the communities we serve. Nextlink is led by its CEO, co-founder, and Majority Owner, Bill Baker, who has led the Company since its inception in 2012.

ATTACHMENT F

The description of services to be offered are Mobile services and the geographic area that will have these services offered are below:



Response to Question 9

Contact for Staff Regarding Customer Complaints

Paden Patino

Deployment Manager

940-452-8389

Eric Pyland

Chief Financial Officer

214-801-8604

Mike Johnson

VP of Planning & Development

682-412-1953

ATTACHMENT G

10. A list of other states where the applicant has applied to operate as a telecommunications services provider and/or to offer telecommunications services, a list of other states where the applicant is authorized to operate, and a list of those states which have denied any requested authority. <u>(Include in Registration as "Attachment G")</u> *(General Order No. R-31891, dated March 11, 2014, Section 301.E.10.)*

Although not specifically applications for authority to provide telecommunications services, Nextlink Internet has or will apply for designation as an eligible telecommunications carrier in the following states:

- Minnesota (Application forthcoming)
- Wisconsin (Applied 12/31/2020)
- Wyoming (Application forthcoming)

Although not necessarily grants of authority to provide telecommunications services, Nextlink Internet has been granted ETC designations by the following states:

- Illinois
- Indiana
- Iowa
- Kansas
- Nebraska
- Oklahoma
- Texas
- Louisiana

Nextlink Internet has also been given the following grants of authority:

- Service Provider Certificate of Authority (SPCOA) to provide competitive local exchange services in Texas (granted May 22, 2018 | Docket No. 48201)
- Certificate of Convenience and Necessity (CCN) in Oklahoma (granted on January 31, 2019 | Cause No. PUD 201800119)

Nextlink Internet has not been denied designation as an ETC or other grants of authority in any jurisdiction.