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April 25, 2022

Sent via WUTC Electronic Filing Portal

Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Redacted per WAC 480-07-160(4)(a)

Re: Docket UT-190574 Compliance Filing, Condition 1a Annual Audited Financial Report & Condition 2 Annual Capital Investments in Broadband

Dear Director Maxwell:

Pursuant to Condition 1a in Order 03 in Docket UT-190574, Northwest Fiber provides its annual audited financial statements report including the following information:

- a. Income Statement
- b. Balance Sheet
- c. Cash Flow Statement

ZiPLY Fiber Response: Please see the attached documents including:

- a. Independent Auditors Report
- b. Combined and Consolidated Balance Sheets
- c. Combined and Consolidated Statements of Operations
- d. Combined and Consolidated Statements of Cash Flow

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Records Management

Pursuant to Condition 2 in the same Order, Northwest Fiber provides its annual compliance report of its capital and expenses incurred by Frontier Communications, LLC in its buildout activities in connection with the Connect America Fund Phase II (CAF-II) program and all other federal high cost universal service (FUSF) programs during the previous calendar year.

ZiPLY Fiber Response: Please see the attached reports.

This response and attachments are considered confidential pursuant to WAC 480-07-160 and in accordance with Order 02 in Docket UT-190574 as this information would not be accessible absent a protective order. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Jessica Epley
 VP - Regulatory & External Affairs



NORTHWEST FIBER, LLC

Annual Report

December 31, 2021

(With Independent Auditors' Report on the Combined and Consolidated
Financial Statements and Notes to the Financial Statements Included
Herein)

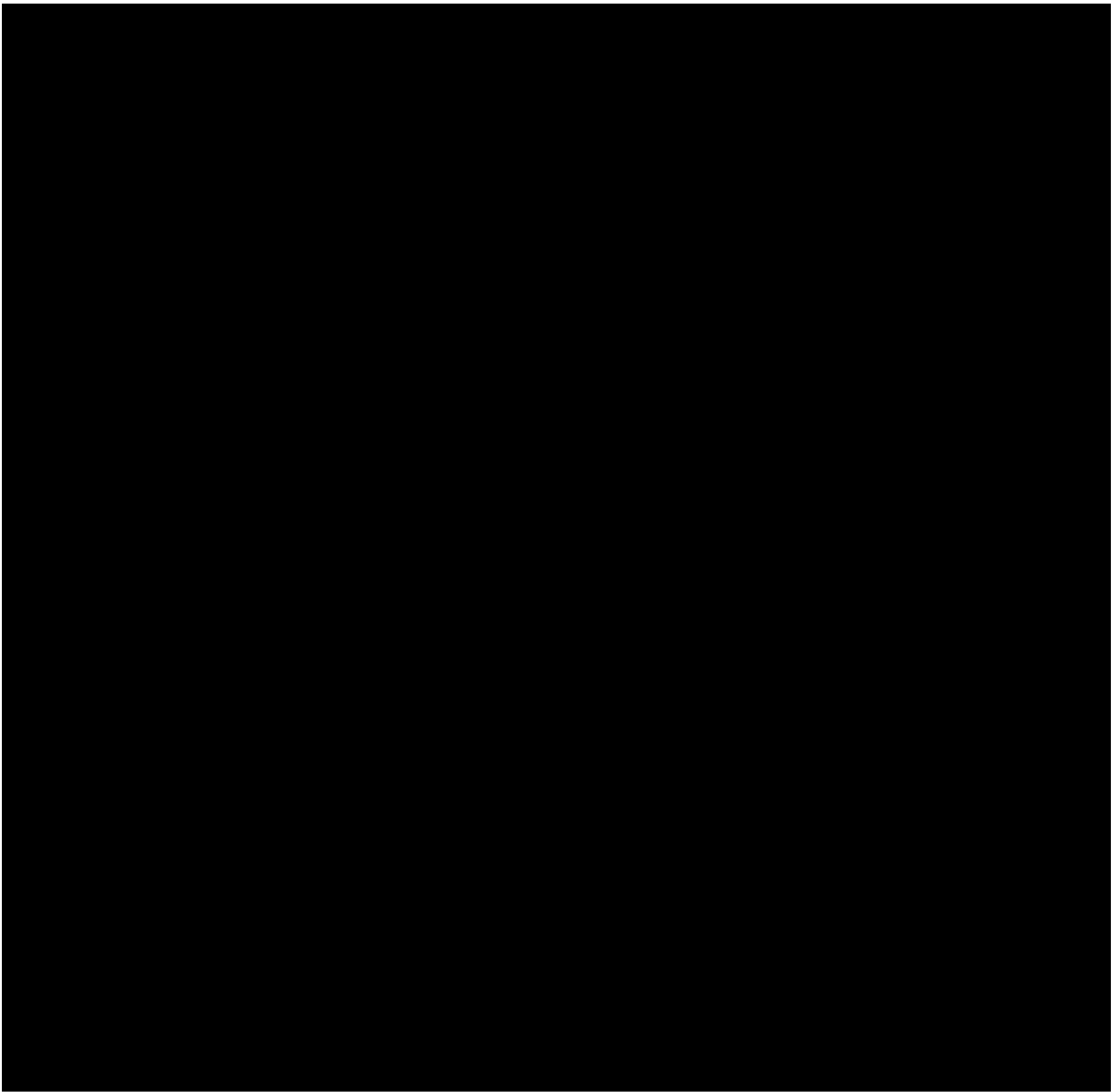


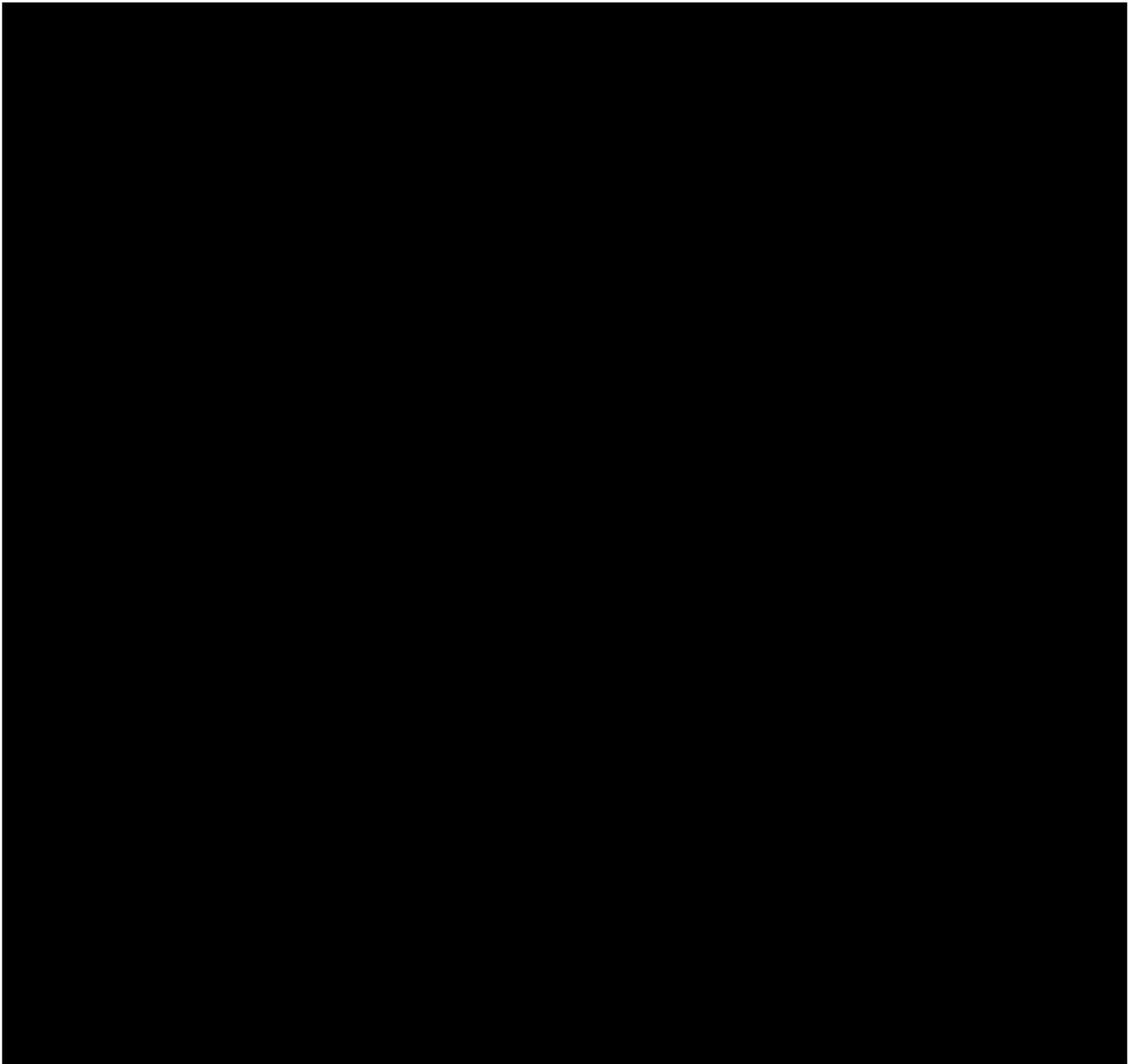
KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

**Shaded information is
designated as exempt per
WAC 480-07-160**


Independent Auditors' Report

The Board of Directors
Northwest Fiber, LLC:





KPMG LLP


April 15, 2022

NORTHWEST FIBER, LLC
Consolidated Balance Sheets
(Dollars in millions)

	December 31	
Assets	2021	2020
Cash and cash equivalents		
Short-term investments		
Accounts receivable, less allowances of \$9 and \$6, respectively		
Contract acquisition costs		
Prepaid expenses		
Income taxes and other current assets		
Total current assets		
Property, plant and equipment, net		
Goodwill, net		
Other intangibles, net		
Other assets		
Total assets		
Liabilities and Member's Equity		
Accounts payable		
Advanced billings		
Accrued content costs		
Accrued other taxes		
Accrued pole attachments		
Accrued payroll related		
Accrued interest		
Current portion of long term debt		
Other current liabilities		
Total current liabilities		
Other liabilities		
Long term debt, net		
Pension and OPEB liability, net		
Total liabilities		
Member's equity:		
Contributed capital		
Accumulated deficit		
Accumulated other comprehensive loss		
Total member's equity		
Total liabilities and member's equity		

See accompanying notes to consolidated financial statements.

NORTHWEST FIBER, LLC
Combined and Consolidated Statements of Operations
(Dollars in millions)

	<u>Successor</u>		<u>Predecessor</u>
	<u>Twelve months ended December 31, 2021</u>	<u>May 1, 2020 to December 31, 2020</u>	<u>January 1, 2020 to April 30, 2020</u>
Revenue			
Operating expenses:			
Network access expenses			
Network related expenses			
Selling, general, and administrative expenses			
Depreciation and amortization			
Transaction costs			
Total operating expenses			
Operating income			
Loss on asset retirement			
Loss on debt extinguishment			
Interest expense			
(Loss) income before income taxes			
Income tax expense			
Net (loss) income			

See accompanying notes to consolidated financial statements.

NORTHWEST FIBER, LLC
 Combined and Consolidated Statements of Cash Flow
 (Dollars in millions)

	Successor		Predecessor
	Twelve months ended December 31, 2021	May 1, 2020 to December 31, 2020	January 1, 2020 to April 30, 2020
Cash flows provided by operating activities:			
Net (loss) income			
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization			
Loss on debt extinguishment			
Loss on asset retirement			
Amortization of deferred financing costs			
Deferred income taxes			
Pension contribution			
Transaction costs paid at acquisition			
Change in accounts receivable			
Change in accounts payable and other liabilities			
Change in prepaid expenses, income taxes and other assets			
Net cash provided by operating activities			
Cash flows used in investing activities:			
Capital expenditures			
Redemption of short-term investments			
Purchase of short-term investments			
Acquisition of Frontier Northwest			
Net cash used in investing activities			
Cash flows provided by (used in) financing activities:			
Net parent investment			
Issuance of new debt			
Debt issuance costs and debt prepayment penalty			
Debt principal repayment			
Equity financing (members contributions)			
Finance lease obligation payments			
Net cash provided by (used in) financing activities			
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the period,			
Cash and cash equivalents, ending balance,	\$		
Cash paid during the period for:			
Interest	\$		
Income tax payments, net			

See accompanying notes to consolidated financial statements.

UT-190574 Stipulation Exhibit 1
Due May 15 (expires 2025)
Ref: Condition 1b Financial Reporting

Major Category	FY Actual
Plant Expansion	[Redacted]
Head-End/Central Office	[Redacted]
CPE	[Redacted]
Installation	[Redacted]
Maintenance	[Redacted]
Total CapEx	[Redacted]

CapEx to Improve and Expand Broadband	[Redacted]
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Locations Passed					
	Year A*	Year B**	Year C	Year D	Year E
Fiber	[Redacted]	[Redacted]	[Redacted]		
Copper					
Total					

*Year A is the year value for the year before the "reporting" year.

**Year B is the year end data for the "reporting" year.

**Shaded information is designated as exempt per
WAC 480-07-160**