Exhibit 3

Audited Financial Statements of ENA Holding Corporation and Subsidiaries for the Years Ending December 31, 2016 and December 31, 2017

See attached.

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
ENA Holding Corporation and Subsidiaries
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of ENA Holding Corporation and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2017 and December 31, 2016, and the related consolidated statements of operation, changes in stockholders' equity, and cash flows for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 (Successor Basis), and the period from January 1, 2016 through May 6, 2016 (Predecessor Basis), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ENA Holding Corporation and Subsidiaries as of December 31, 2017, and December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 (Successor Basis) and the period from January 1, 2016 through May 6, 2016 (Predecessor Basis) in accordance with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP

Crowe Horwath LLP

Franklin, Tennessee
March 27, 2018

ENA HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2017 and December 31, 2016

	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 13,031,959	$ 3,343,252
Accounts receivable	19,321,807	42,315,111
Prepaid and other current assets	4,394,347	3,581,249
Income taxes receivable	2,640,392	1,897,935
Deferred income taxes	308,632	2,437,198
Total current assets	39,697,137	53,574,745
Property and equipment, net	8,623,722	9,962,976
Goodwill	109,368,623	122,467,505
Other long-term assets	398,375	133,858
	109,766,998	122,601,363
Total assets	$ 158,087,857	$ 186,139,084
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 4,624,244	$ 6,049,157
Accrued liabilities	11,694,564	17,923,111
Current portion of term loans	2,562,571	3,750,000
Current portion of capital lease obligations	1,152,895	1,058,051
Deferred revenue	3,060,699	2,732,001
Total current liabilities	23,094,973	31,512,320
Long-term liabilities		
Non-current portion of term loans	83,619,205	92,469,906
Subordinated debt	10,771,109	10,465,915
Non-current portion of capital leases	664,042	1,453,854
Deferred income taxes	807,417	712,631
Deferred revenue	360,684	152,762
	96,222,457	105,255,068
Stockholders' equity		
Common stock, $.01 par value, 1,000 shares authorized, issued and outstanding at December 31, 2017 and 2016	10	10
Additional paid-in capital	56,921,212	56,921,212
Retained deficit	(18,150,795)	(7,549,526)
Total stockholders' equity	38,770,427	49,371,696
Total liabilities and stockholders' equity	$ 158,087,857	$ 186,139,084

See accompanying notes to consolidated financial statements.

ENA HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATION
For the year ended December 31, 2017, the period May 7, 2016 (Date of Merger) through December 31, 2016, and the period from January 1, 2016 through May 6, 2016

	Year Ended December 31, 2017	Period from May 7, 2016 through December 31, 2016 (Successor)	Period from January 1, 2016 through May 6, 2016 (Predecessor)
Revenues	$ 121,223,884	$ 72,963,366	$ 45,888,662
Operating expenses			
Network expenses	63,511,901	37,597,350	24,279,995
Payroll and benefits	28,672,757	17,187,169	8,497,564
Selling, general and administrative expenses	8,502,165	5,836,799	7,037,726
Depreciation and amortization expenses	19,215,487	12,673,102	5,161,454
Loss on disposal of assets	-	3,941	-
Total operating expenses	119,902,310	73,298,361	44,976,739
Income (loss) from operations	1,321,574	(334,995)	911,923
Other income and (expenses)			
Interest income	-	1,398	-
Interest expense	(10,441,573)	(6,812,846)	(1,630,107)
Total other income and expenses	(10,441,573)	(6,811,448)	(1,630,107)
Income (loss) before income tax expense (benefit)	(9,119,999)	(7,146,443)	(718,184)
Income tax expense (benefit)	1,481,270	403,083	(2,136,225)
Net income (loss)	$ (10,601,269)	$ (7,549,526)	$ 1,418,041

See accompanying notes to consolidated financial statements.

ENA HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the year ended December 31, 2017, the period May 7, 2016 (Date of Merger) through December 31, 2016, and the period from January 1, 2016 through May 6, 2016

	Common Stock		Additional Paid-in	Preferred Stock		Retained	Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Earnings	Equity
Predecessor:							
Balance at January 1, 2016	204,419,763	$ 42,972,348	$ 1,270,868	2,000,000	$ 2,000,000	$ 13,510,743	$ 59,753,959
Preferred shareholder dividends	-	-	-	-	-	(82,490)	(82,490)
Stock issuance	-	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-	-
Option/restricted stock compensation expense	-	-	104,839	-	-	-	104,839
Net income for the period from January 1, 2016 through May 6, 2016	-	-	-	-	-	1,418,041	1,418,041
Balance at May 6, 2016	204,419,763	$ 42,972,348	$ 1,375,707	2,000,000	$ 2,000,000	$ 14,846,294	$ 61,194,349
Successor:							
Initial capitalization, as of May 7, 2016 (Date of Merger)	1,000	$ 10	$ 56,921,212	-	$ -	$ -	$ 56,921,222
Net loss for the period May 7, 2016 through December 31, 2016	-	-	-	-	-	(7,549,526)	(7,549,526)
Balance at December 31, 2016	1,000	10	56,921,212	-	-	(7,549,526)	49,371,696
Net loss	-	-	-	-	-	(10,601,269)	(10,601,269)
Balance at December 31, 2017	1,000	$ 10	$ 56,921,212	-	$ -	$ (18,150,795)	$ 38,770,427

See accompanying notes to consolidated financial statements.

ENA HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended December 31, 2017, the period May 7, 2016 (Date of Merger) through December 31, 2016, and the period from January 1, 2016 through May 6, 2016

	Year Ended December 31, 2017	Period from May 7, 2016 through December 31, 2016 (Successor)	Period from January 1, 2016 through May 6, 2016 (Predecessor)
Cash flows from operating activities			
Net income (loss)	$ (10,601,269)	$ (7,549,526)	$ 1,418,041
Adjustments to reconcile net income (loss) to net cash from operating activities			
Depreciation expense	6,116,605	4,151,786	2,215,743
Amortization expense	13,098,882	8,521,316	2,945,710
Amortization of deferred finance charges	649,299	419,906	108,232
Loss (gain) on disposal of assets	-	4,171	-
Loss from interest rate cap	476,254	-	-
Stock compensation expense	-	-	104,839
Deferred income taxes	2,223,352	(975,056)	(1,925,085)
Changes in assets and liabilities			
Accounts receivable	22,993,304	1,847,423	4,868,404
Prepaid and other current assets	(813,098)	(2,645,825)	162,808
Other noncurrent assets	86,229	(1,701,265)	993,346
Income taxes receivable	(742,457)	289,098	(2,187,033)
Accounts payable	(1,424,913)	(405,046)	1,099,341
Accrued liabilities	(6,228,547)	(1,737,412)	1,866,791
Deferred revenue	536,620	946,978	(1,050,480)
Net cash from operating activities	26,370,261	1,166,548	10,620,657
Cash flows from investing activities			
Acquisition of business	-	(158,274,152)	-
Purchases of property and equipment	(4,381,341)	(2,319,635)	(966,164)
Net cash from investing activities	(4,381,341)	(160,593,787)	(966,164)
Cash flows from financing activities			
Principal payments on long-term debt	(10,382,235)	(1,250,000)	(1,681,730)
Borrowings on long-term debt	-	110,000,000	-
Initial funding of interest rate cap	(827,000)	-	-
Principal payments on line of credit	-	-	(2,000,000)
Proceeds from issuance of stock	-	52,979,839	-
Deferred financing fees	-	(2,965,000)	-
Principal payment of capital lease	(1,090,978)	(236,375)	(103,596)
Net cash from financing activities	(12,300,213)	158,528,464	(3,785,326)
Net change in cash and cash equivalents	9,688,707	(898,775)	5,869,167
Cash and cash equivalents at beginning of year	3,343,252	4,242,027	5,715,931
Cash and cash equivalents at end of year	$ 13,031,959	$ 3,343,252	$ 11,585,098

See accompanying notes to consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

Organization: ENA Holding Corporation and Subsidiaries (the "Company") is primarily engaged in the business of providing information technology services including enhanced Internet access and content delivery services. The Company has contracts to provide its services to over two million students and teachers in various states including Tennessee, Indiana, Idaho, Florida, Georgia, Maryland, Texas and Vermont. The contracts are funded by state and local governments and the Federal E-Rate program.

Education Networks of America, Inc. was originally established May 28, 1996, as Education Networks of America, LLC (the "LLC"), a Tennessee Limited Liability Company. The Company effected a common control merger with the LLC on January 1, 2000, and became a Delaware corporation. On January 1, 2000, the Company issued common and preferred stock to the existing members in exchange for their respective membership interest. Education Networks of America, Inc. is a wholly owned subsidiary of ENA Holding Corporation.

ENA Services, LLC ("Services") was created on January 26, 2006, as a Delaware Limited Liability Company. Services is primarily engaged in the business of providing telecommunications services including Internet access and voice services. Services is a wholly owned subsidiary of Education Networks of America, Inc.

Merger Agreement: At the end of business on May 6, 2016, ENA Merger Sub, Inc., a wholly owned subsidiary of ENA Holding Corporation ("Holding"), merged with Education Networks of America, Inc. in a business combination of the membership interest and capital stock ("Merger"). The "Predecessor" financial information provided in these consolidated comparative financial statements is for the period from January 1, 2016 through May 6, 2016, and the "Successor" financial information is for the period from May 7, 2016 (date of Merger) through December 31, 2016.

Certain individuals of the Predecessor company transferred their shares of the Predecessor company for shares in the Successor company to retain a 3.3% ownership in Holding after the Merger. The Merger has been accounted for as a purchase and, accordingly, the purchase price was allocated to the assets and liabilities acquired based upon their fair values at the date of the Merger. The Merger resulted in excess costs over the fair value of the assets of the business acquired and is recorded as goodwill in the accompanying consolidated balance sheet. The Company believes the amount paid for the business is justified due to favorable market conditions and believes it will be able to increase existing market share as well as penetrate new markets through the introduction of new products. The following table summarizes the estimated fair value of the assets acquired and liabilities assumed on May 7, 2016:

Assets acquired:	
Cash and cash equivalents	$ 4,242,027
Accounts receivable	44,162,534
Prepaid and other assets	1,108,704
Deferred tax asset	2,328,000
Property and equipment	9,450,077
Goodwill	130,925,253
Less liabilities assumed:	
Accounts payable, accrued expenses and other liabilities	24,744,099
Deferred revenue	1,937,785
Deferred tax liability	1,578,489
Fair value of net assets acquired	$ 163,956,222

(Continued)

NOTE 1 - NATURE OF OPERATIONS (Continued)

The net acquired assets of the Company in the above table reflect the cash infusion of $51,302,352, rollover equity of $5,618,870 (noncash item) and the debt infusion of $110,000,000 less $2,965,000 of financing costs paid to an affiliated company and other companies. Total proceeds paid to sellers were reduced by transaction fees of $2,572,224. The Company recognized $130,925,253 in goodwill which is not deductible for tax purposes.

Management elected to adopt Accounting Standards Update (ASU) 2014-18 for this transaction. This ASU allows private companies to recognize all customer-related intangibles as goodwill. In addition, management elected the goodwill accounting alternative for private companies in ASU 2014-02. The goodwill will be amortized over a 10 year period on a straight line basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Significant accounting policies are as follows:

Principles of Consolidation: The accompanying consolidated financial statements include the consolidated operations of ENA Holding Corporation, Education Networks of America, Inc. and ENA Services, LLC. All significant intercompany transactions have been eliminated.

Revenue and Expense Recognition: The Company recognizes revenue based upon the type of service it performs. One-time installation and access fees are deferred and recognized over the contract period. Monthly service revenues are recognized in the month in which services are performed. Revenue for voice and wifi products are recognized in the period in which services are performed or goods are delivered. Expenses are recorded as incurred. The Company estimates certain revenues and deferred revenues that are subject to approval and funding to its customers by the Federal government. Revenues received under E-Rate funding are subject to future audits by the Federal Communications Commission ("FCC"). E-Rate funding is administered by the Schools and Libraries Division of the Universal Services Administrative Company. Management believes that the resolution of any such audits would not have a material adverse effect on the Company's financial position or results of operations.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, cash includes cash and cash equivalents with original maturities of 90 days or less. The Company's cash deposits are with financial institutions and exceed federally insured amounts.

Accounts Receivable: The Company sells to customers using credit terms customary in its industry. Interest is not normally charged on receivables. ENA has contracts with customers whereby the customer is responsible for the total costs of the ENA service. The customers typically request funding from the federal government E-Rate program to pay for a portion of the costs of service. These funds are applied for and approved on an annual basis. ENA traditionally provides certain customers financing for the portion of services funded by the E-Rate program. These amounts are ultimately payable by the customers in the event that E-Rate funding is not received. The E-Rate program historically has certain delays related to its approval and payment processes at both the Universal Services Administrative Company and Federal Communications Commission level. The Company has past due receivables anticipating collection from E-Rate approvals or local customer funds of $5,970,118 and $27,344,916, as of December 31, 2017 and December 31, 2016, respectively. Management establishes a reserve for losses on its accounts based on historic loss experience and current economic conditions. Losses are charged off to the reserve when management deems further collection efforts will not produce additional recoveries. As of December 31, 2017 and December 31, 2016, a reserve has been established by management totaling $250,000 and $4,104,852, respectively.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses and Other Current Assets: Amounts within prepaid expenses consist of payments for services yet to be rendered.

Property and Equipment: Property and equipment are recorded at cost. The Company capitalizes costs associated with the design, development and installation of its network including internally and externally developed software in accordance with Financial Accounting Standards Board (FASB) ASC 985 "Software Development Costs" and FASB ASC 350 "Accounting for Costs of Computer Software Developed or Obtained for Internal Use." Maintenance and repairs are charged to expense as incurred. Leasehold improvements are depreciated over the lesser of the lease term or useful life.

Depreciation and amortization is computed using the straight line method over the estimated useful lives of the related assets, which are as follows:

Computer Equipment	3 years
Computer Software	3 years
Office Equipment	5 years
Leasehold Improvements	4-5 years

Goodwill and Other Intangible Assets: Goodwill results from business combinations and represents the excess of the purchase price over the fair value of acquired tangible assets and liabilities and identifiable intangible assets.

Goodwill is amortized over ten years and is only tested for impairment when a triggering event occurs that indicates the fair value may be below the carrying amount. Goodwill is tested for impairment at the entity level. The Company recorded goodwill amortization expense of $13,098,882, $8,521,316 and $1,348,814 for the year ended December 31, 2017, the period May 7, 2016 through December 31, 2016 and the period January 1, 2016 through May 6, 2016, respectively. The Company had accumulated goodwill amortization expense of $21,620,198 and $8,521,316, as of December 31, 2017 and December 31, 2016, respectively.

At May 6, 2016, other intangible assets consisted of trademarks, customer contracts and customer relationships. These assets were amortized using the straight line method over their estimated useful lives which ranged from 9-15 years. Intangible assets were assessed at least annually for impairment, and any such impairment was recognized in the period defined. The Company did not have any intangible assets with the exception of goodwill remaining as of December 31, 2016 as part of the Merger agreement above.

Management has determined that there was no goodwill or other intangible asset impairment at December 31, 2017 and December 31, 2016.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Finance Charges: In April 2015, the FASB issued guidance that intends to simplify the presentation of debt issuance costs. Under this guidance debt issuance costs are presented on the balance sheet as a direct deduction from debt. The effect of adopting this standard resulted in debt issuance costs as a contra-liability on long-term debt as of December 31, 2017 and 2016. Direct costs incurred related to obtaining loans from banks and other creditors are capitalized and amortized using the effective interest method, quarterly over the corresponding loan terms. The Company recognized $2,965,000 of deferred financing fees related to the Merger. The Company had a balance of $906,755 of deferred financing fees related to a previous transaction at May 6, 2016 which was written off and is included in interest expense for the period January 1, 2016 through May 6, 2016. Amortization expense for deferred finance charges was $649,299, $434,906 and $108,232 for the year ended December 31, 2017, the period of May 7, 2016 through December 31, 2016 and the period of January 1, 2016 through May 6, 2016, respectively.

Accounting for the Impairment or Disposal of Long-Lived Assets: In accordance with FASB ASC 360, "Impairment or Disposal of Long-Lived Assets," the Company evaluates the carrying value of long-lived assets whenever significant events or changes in circumstances indicate the carrying value of these assets may be impaired. The Company evaluates potential impairment of long-lived assets by comparing the carrying value of the net assets to the expected net future cash inflows resulting from use of the assets. Management believes that no material impairment of long-lived assets exists at December 31, 2017 or December 31, 2016.

Stock-Based Compensation: As discussed in Note 9, the Company adopted a non-qualified option plan which provided that options for common shares of the Company could be granted to key personnel at an amount determined by the Board of Directors. FASB ASC 718 "Accounting for Stock-Based Compensation (As Amended)" requires that the fair value of stock options and other share-based compensation be measured as of the date the grant is awarded and expensed over the period of employee service, typically the vesting period. Compensation cost recognized for the periods from May 7, 2016 through December 31, 2016 and January 1, 2016 through May 6, 2016 totaled $0 and $104,839, respectively. As part of the Merger agreement, the option plan was cashed out on May 7, 2016. A new bonus plan was created in July 2016 that allows for certain employees to receive sales bonuses but only in the event of a Company sale. Compensation expense has not been recorded for the period subsequent to the Merger.

For purposes of computing the above compensation costs for the period from January 1, 2016 through May 6, 2016, the fair value of each option on its grant date was estimated using the Black-Scholes option-pricing model based on the following weighted average assumptions: 1) risk-free interest rate, ranging from 1.0-2.0%, 2) expected life, 6.0 years, 3) expected dividends, none, and 4) volatility factor of 25%.

Interest Rate Cap: The Company applies a simplified hedge accounting approach for interest rate caps that are entered into for the purpose of economically converting variable-rate interest payments to fixed-rate payments. This approach assumes no ineffectiveness for caps that meet certain criteria and also provides relief from the requirement to disclose the fair value of financial instruments if solely caused by an interest rate cap now accounted for under the simplified approach. See Note 5 for further description.

Income Taxes: The provision for income taxes is based on income recognized for financial statement purposes and includes the effects of temporary differences between such income and that recognized for tax return purposes. Deferred tax assets and liabilities are established for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns using enacted tax rates in effect for the years in which the differences are expected to reverse.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting these criteria, no tax benefit is recorded. Management is not aware of any uncertain tax positions at December 31, 2017 and December 31, 2016. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Company recognizes interest and penalties related to income tax matters in income tax expense when they become known. No such expenses were recorded during 2017 and 2016.

The Company's tax years 2015-2017 are open under the applicable United States statute of limitations and tax years 2014-2017 for various state statutes of limitations.

Reclassification: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on net income or stockholders' equity.

Use of Estimates: The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments: The Company's carrying amount for its financial instruments, which include cash and cash equivalents, accounts receivable, prepaid assets, accounts payable, accrued liabilities, subordinated debt and long-term debt, approximates fair value.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2017, to determine the need for any adjustments to and disclosures within the audited financial statements for the year ended December 31, 2017. Management has performed their analysis through March 27, 2018.

On January 2, 2018, the Company entered into a Unit Purchase Agreement to purchase all of the outstanding membership units of TeleQuality Communications, Inc. The acquisition was completed for a purchase price of approximately $105,000,000 and was funded through $56,000,000 of debt, $40,000,000 of rollover equity, and a Seller Note of $15,000,000. As part of this transaction, the Company's credit agreement was amended to increase total borrowing capacity to $181,000,000, including $156,000,000 of term commitment and $25,000,000 of revolving credit commitment.

(Continued)

NOTE 3 - PROPERTY AND EQUIPMENT

The Company's property and equipment, and the related accumulated depreciation at December 31, 2017 and December 31, 2016, are as follows:

	December 31, 2017	December 31, 2016
Computer equipment and software	$ 36,962,787	$ 33,547,075
Leasehold improvements and other	9,852,817	9,531,114
	46,815,604	43,078,189
Less accumulated depreciation and amortization	(38,191,882)	(33,115,213)
	$ 8,623,722	$ 9,962,976

Depreciation expense for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 and the period from January 1, 2016 through May 6, 2016 was $6,116,605, $4,151,786, and $2,215,743, respectively. The Company acquired $396,010, $1,982,833 and $0 of equipment through capital leases for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 and the period from January 1, 2016 through May 6, 2016, respectively.

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31, 2017	December 31, 2016
Accrued network connection charges	$ 1,574,558	$ 2,277,406
Accrued professional charges	303,834	364,152
State and local taxes payable	286,628	261,319
Accrued payroll and benefits	1,817,794	799,304
Other	7,711,750	14,220,930
	$ 11,694,564	$ 17,923,111

Other accrued liabilities include a liability for a portion of accounts receivable and certain tax benefits due to former investors that was part of the Merger agreement on May 7, 2016. The balance of the liability is $6,573,948 and $13,252,850 as of December 31, 2017 and December 31, 2016, respectively.

NOTE 5 - LONG-TERM DEBT

On December 9, 2015, the Company obtained a $43,000,000 term note payable and a revolving line of credit with a maximum borrowing balance of $12,000,000 ("Credit Agreement") (See Note 6). The term note bore interest at 3 month LIBOR plus a margin of 3.00%. The note consisted of quarterly payments beginning in March 2016 based on the terms of the loan amortization schedule. The note was collateralized by substantially all the assets of the Company and originally matured on December 9, 2020. The note and line were paid in full on May 7, 2016.

(Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

As part of the Merger on May 7, 2016, the Company entered into a new credit agreement. The master credit agreement is made up of a Revolving Credit Commitment and a Term Loan with a total credit facility of up to $115 million. The initial borrowing on the credit facility was the term loan of $100 million at the time of the Merger. The term loan requires quarterly principal and interest payments of $625,000 for the first year beginning with the quarterly payment due on September 30, 2016. After the first four quarters of payments, the principal and interest payments are increased to $1,250,000 per quarter with the remaining principal and interest due upon maturity on May 7, 2021. The interest rate on the loan is 7% plus the greater of 1% or 3-month LIBOR (8.69% at December 31, 2017). At the end of each year the Company must calculate its excess cash flow, as defined by the agreement, and submit an amount equal to 7% of its excess cash flow with certain restrictions. There were no excess cash flow payments due at December 31, 2017 or December 31, 2016. Deferred financing fees are netted with the outstanding term loan on the balance sheet. The total outstanding balance net of deferred fees totaled $86,181,776 and $96,219,906 at December 31, 2017 and December 31, 2016, respectively.

The following is a summary of the contractual maturities on the amounts owed under long-term debt and the amortization of the debt issuance costs:

Year	Contractual Maturities	Amortized Debt Issuance Costs	Net
2018	$ 2,562,571	$ (616,534)	$ 1,946,037
2019	5,000,000	(582,981)	4,417,019
2020	5,000,000	(549,428)	4,450,572
2021	75,500,000	(131,852)	75,368,148
	$ 88,062,571	$ (1,880,795)	$ 86,181,776

On May 7, 2016, the Company also entered into a subordinated debt agreement as part of the Merger. The subordinated debt totals $10,000,000 and matures in November 2021. The loan is to be paid in full on the maturity date. Interest is paid monthly at a rate of 14%. During the initial twelve months of the term, 7% of the interest is paid in cash and 7% is accrued as paid in kind interest. Thereafter, 14% is paid in cash subject to a maximum cap of $350,000 per quarter. The balance of the debt was $10,771,109 and $10,465,915 as of December 31, 2017 and December 31, 2016, respectively.

The Company has an interest rate cap contract capping the interest rate on a variable rate borrowing in order to manage changes in market conditions related to its debt obligations. The Company recognized all derivatives on the balance sheet at fair value. Changes in the fair value of a derivative that is designated as and meets all required criteria for a cash flow hedge are recognized in accumulated other comprehensive income and reclassified into earnings as the underlying hedged item affects earnings. The Company's interest rate cap contract did not meet all of the required criteria to be designated as a cash flow hedge and, therefore, the changes in value are reported in operations. The fair value of the interest rate cap contract at December 31, 2017 was an asset totaling $350,746, and is included in other long-term assets on the accompanying balance sheets. The fair value adjustment of $476,254 for the year ended December 31, 2017 is included in interest expense in the accompanying statements of operation.

(Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

The following table details the various terms of the cap agreement:

Effective Date	Notional Amount	Interest Rate	Maturity Date
12/31/2016	$ 70,000,000	2.25% One Month LIBOR	12/31/2020

NOTE 6 - LINE OF CREDIT

As discussed above, the Company entered into a $12,000,000 revolving line of credit during 2015 which bore interest at one-month LIBOR plus a margin of 3.00% (3.42% at December 31, 2015). The line of credit was paid in full on May 7, 2016 as part of the Merger agreement.

The Company entered into a $15,000,000 revolving line of credit on May 7, 2016, which bears interest at 7% plus the greater of 1% or three-month LIBOR (8.69% at December 31, 2017). There was no outstanding balance at December 31, 2017.

Interest paid on all debt for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 and the period from January 1, 2016 through May 6, 2016 was $6,116,605, $4,151,786 and $760,779, respectively.

NOTE 7 - CAPITAL LEASE OBLIGATIONS

The Company leases computer equipment under a capital lease arrangement requiring monthly payments through 2019. The non-cash purchase of the property and equipment through capital leases totaled $396,010, $1,982,833 and $0 for the year ended December 31, 2017, the period from May 7, 2016 (date of Merger) through December 31, 2016 and the period from January 1, 2016 through May 6, 2016, respectively.

The Company has included this lease in equipment as follows:

	December 31, 2017	December 31, 2016
Computer equipment and software	$ 3,586,988	$ 3,160,603
Computer equipment - accumulated depreciation	(1,722,834)	(586,391)
	$ 1,864,154	$ 2,574,212

(Continued)

NOTE 7 - CAPITAL LEASE OBLIGATIONS (Continued)

Future minimum payments on the capital leases at December 31, 2017 are as follows:

Year ending December 31	
2018	$ 1,152,895
2019	596,420
2020	67,622
	1,816,937
Less: current maturities	(1,152,895)
	$ 664,042

NOTE 8 - STOCKHOLDERS' EQUITY

Restricted Stock: On December 16, 2011, the Company issued 9,090,909 shares of restricted stock to executives for no consideration. On the grant date, the fair value of these shares was $1,105,000 and was recognized within compensation expense over the vesting period. Compensation expense recognized for the period of January 1, 2016 through May 6, 2016 was $77,231. The Company did not have any restricted stock after May 7, 2016 per the Merger agreement.

Preferred Stock: During 2014, the Company entered into a Series A Preferred Stock Subscription agreement in the amount of $2,000,000. The holders of preferred stock were entitled to receive cumulative preferred distributions, when and if declared, at a rate of 10% of base per annum. The holders of the preferred stock had no voting rights. In the event of liquidation, the holders of the preferred stock were entitled to receive, prior to and in preference to any distribution to the holders of the common stock, the greater of (i) the original issue price plus all accrued but unpaid dividends or (ii) such amount as would be received in respect of a share of Series A Preferred Stock upon a conversion of such stock into common stock. The preferred stock was purchased and retired, and cumulative dividends totaling $481,540 were paid out, as part of the Merger on May 7, 2016.

NOTE 9 - 2011 STOCK OPTION AND INCENTIVE PLAN

The Company adopted the 2011 Stock Option and Incentive Plan to provide incentives for employees, directors, consultants and advisors to promote growth and profitability of the Company.

The 2011 Option Plan had 36,363,636 authorized shares to be granted in the form of incentive stock options, non-incentive stock options, and restricted stock. Compensation expense for the period of January 1, 2016 through May 6, 2016 totaled $27,608.

(Continued)

NOTE 9 - 2011 STOCK OPTION AND INCENTIVE PLAN (Continued)

A summary of the Company's stock option activity and related information under the stock option plans for the period from January 1, 2016 through May 6, 2016 is as follows:

	January 1, 2016 through May 6, 2016 (Predecessor)	
	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	32,640,659	$ 0.25
Granted	62,500	0.48
Cancelled	(71,000)	0.30
Outstanding at May 6, 2016	32,632,159	0.25
Options exercisable at May 6, 2016	20,719,625	$ 0.22

The following table summarizes information about stock options outstanding at May 6, 2016:

Range of Exercise Price	Number Outstanding at 5/6/16	Weighted-Average Remaining Contractual Life	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price	Number Exercisable at 5/6/16	Weighted Average Exercise Price
$0.22 - 0.50	32,632,159	2.11 years	$0.02	$0.25	20,719,625	$0.22

NOTE 10 - CONCENTRATION OF CREDIT RISK AND REVENUE

During the years ended December 31, 2017 and 2016, the Company's significant customers accounted for the following revenue and accounts receivable as of December 31, 2017 and 2016. No change in accounts receivable concentrations were noted as of May 7, 2016.

	2017	
Customer	% of Total Gross Revenue	% of Gross Accounts Receivable
Schools and Libraries Division of the Universal Services Administrative Company	61.6 %	66.1 %

	2016	
Customer	% of Total Gross Revenue	% of Gross Accounts Receivable
Schools and Libraries Division of the Universal Services Administrative Company	51.3 %	66.3 %

(Continued)

NOTE 11 - INCOME TAXES

The provision expense (benefit) for income taxes consists of the following:

	December 31, 2017	May 7, 2016 through December 31, 2016 (Successor)	January 1, 2016 through May 6, 2016 (Predecessor)
Tax expense (benefit)			
Current	$ (742,082)	$ 1,378,139	$ (211,140)
Deferred	2,223,352	(975,056)	(1,925,085)
Total tax expense (benefit)	$ 1,481,270	$ 403,083	$ (2,136,225)

The composition of the deferred tax assets and liabilities in the accompanying consolidated balance sheets is as follows:

	December 31, 2017	December 31, 2016
Current deferred tax asset		
Accrued liabilities	$ 308,632	$ 2,437,198
Net current deferred tax asset	$ 308,632	$ 2,437,198
Long-term deferred tax liabilities		
Differences between book and tax intangible basis	$ (807,417)	$ (712,631)
Net long-term deferred tax liabilities	$ (807,417)	$ (712,631)

The principal difference in 2017 between the income tax expense and income taxes at the statutory rate resulted from the effect of permanent differences on amortization of goodwill and intangibles.

On December 22, 2017, H.R.1, commonly known as the Tax Cuts and Jobs Act (the "Act") was signed into law. The Act reduces the corporate federal tax rate from 35% to 21% effective January 1, 2018. As a result, the Company is required to re-measure the deferred tax assets and liabilities using the enacted rate at which the Company expects them to be recovered or settled. The effect of this re-measurement is recorded to income tax expense (benefit) in the year the tax law is enacted. For 2017, the re-measurement of the net deferred tax asset resulted in additional income tax expense of ($253,811). The Company is applying Staff Accounting Bulletin No. 118, which allows for best estimates of the tax law change, noting that other items in the calculation may be changed.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

On March 1, 2016, the Supreme Court in Idaho confirmed the ruling that the State of Idaho's contracts related to the Idaho Education Network ("IEN") were void.

On March 8, 2017, the Company entered into settlement agreements with the state of Idaho, certain Idaho school districts and CenturyLink resulting in the settlement of all claims and litigation related to the IEN contract.

(Continued)

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

The Company recorded A/R reserves and additional accrued liabilities as of March 1, 2016 equivalent to the ultimate settlement amounts.

As part of the purchase transaction on May 6, 2016, the Company is indemnified for this matter by the former shareholders for any liability under the litigation and related settlement, including legal fees. The Company and the former shareholders also have an arrangement whereby 50% of any collections on past due receivables related to this matter, net of collection costs, and 50% of any tax deductions related to write-off of any of these receivables are paid to the former shareholders.

The settlement included $2,489,373 paid by the State of Idaho to ENA to settle outstanding accounts receivable resulting in an ultimate write-off of receivables of $3,895,676 (booked as an A/R reserve in 2016 and written off in 2017). The payments were shared equally between the Company and the former shareholders and paid out during 2017. The resulting tax deductions were shared equally between the Company and the former shareholders, and a balance of $779,135 remains to be paid out to former shareholders as of December 31, 2017.

The settlement included $3,927,160 paid by ENA to CenturyLink to settle outstanding payables and other claims. $1,421,399 of this settlement was indemnified by the former shareholders. The remaining $2,505,761 was shared equally by the Company and the former shareholders.

The Company has a 401(k) savings plan that covers all employees who have obtained 21 years of age and have completed three months of service. The Company will make a safe harbor matching contribution equal to 100% of each employee's salary deferrals up to 1% of the employee's compensation and 50% of the deferral up to 6% of the employee's compensation. In addition, the Company may make, at its discretion, an additional matching contribution. Total contributions by the Company under the plan were approximately $637,000, $390,000 and $179,000 for the year ended December 31, 2017, the period May 7, 2016 (date of Merger) through December 31, 2016 and the period January 1, 2016 through May 6, 2016, respectively.

The Company leases certain facilities and equipment. Rent expense was $533,052, $344,872 and $238,660 for year ended December 31, 2017, the period May 7, 2016 (date of Merger) through December 31, 2016 and the period January 1, 2016 through May 6, 2016, respectively.

Minimum lease commitments are as follows:

	Operating Lease Payments
2018	$ 633,815
2019	649,660
	$ 1,283,475

NOTE 13 - RELATED PARTY TRANSACTIONS

Management fees were paid to current owners totaling $1,100,000 and $719,231 for the year ended December 31, 2017 and the period ending December 31, 2016, respectively, and management fees were paid to prior owners totaling $101,468 for the period ending May 7, 2016.

(Continued)

NOTE 14 - INTANGIBLES

The components of intangibles are as follows:

	December 2017		December 2016	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Goodwill	$130,988,821	$ 21,620,198	$130,988,821	$ 8,521,316

Goodwill is being amortized using the straight line method over the estimated life of 10 years.

Amortization expense for year ended December 31, 2017, the period May 7, 2016 (date of Merger) through December 31, 2016 and the period January 1, 2016 through May 6, 2016 was $13,098,882, $8,521,316 and $2,945,710, respectively. At December 31, 2017, projected future amortization expense related to intangible assets with definite lives is as follows:

Year	Amount
2018	$ 13,098,882
2019	13,098,882
2020	13,098,882
2021	13,098,882
2022	13,098,882
Thereafter	43,874,213
	$109,368,623