

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II	Basic Plan Information —enter all requested information
1a Name of plan PAC TELL GROUP INC 401(K) PROFIT SHARING PLAN & TRUST	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/2005
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) PAC TELL GROUP INC 30 PINE HOUSE RD TRENTON, SC 29847	2b Employer Identification Number (EIN) 58-2311228 2c Plan Sponsor's telephone number 803-275-5066 2d Business code (see instructions) 325200

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2023	LESLIE STURKIE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 179
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 145
a(2) Total number of active participants at the end of the plan year		6a(2) 163
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 44
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 207
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 207
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 144
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 5
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☐ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☒ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☒ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>PAC TELL GROUP INC 401(K) PROFIT SHARING PLAN & TRUST</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PAC TELL GROUP INC</u>		D Employer Identification Number (EIN) <u>58-2311228</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	97330	112256
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common.....	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants).....	1c(7)	0	
(8) Participant loans.....	1c(8)	30548	20807
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	1660800	1611738
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	
(2) Employer real property	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	1788678	1744801

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1788678	1744801
---	-----------	---------	---------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	84150	
(B) Participants	2a(1)(B)	170254	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		254404
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1683	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1655	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		3338
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	122099	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		122099
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-418311
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-38470
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	5403	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5403
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5407
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-43877
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ELLIOTT DAVIS

(2) EIN: 57-0381582

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		2500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Report on Financial Statements

For the year ended December 31, 2022



PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Contents

Page

Independent Auditor's Report.....	1 - 4
--	--------------

Financial Statements

Statements of Net Assets Available for Benefits.....	5
Statement of Changes in Net Assets Available for Benefits.....	6
Notes to Financial Statements	7 - 12

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	13
---	----

Independent Auditor's Report

Plan Administrator
PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust
Trenton, South Carolina

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Mid Atlantic Trust Company ("MATC"), the Custodian, as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying financial statements related to assets held by and certified to by the Custodian agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Elliott Davis, LLC
One 10th Street
Suite 400
Augusta, GA 30903
706.722.9090

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements, Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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.

Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Supplemental Schedule Required by ERISA, Continued

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by the Custodian agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Augusta, Georgia
October 11, 2023

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust***Statements of Net Assets Available for Benefits******As of December 31, 2022 and 2021***

	<u>2022</u>	<u>2021</u>
Assets		
Investments at fair value (see Note 4)	\$ 1,723,994	\$ 1,758,130
Notes receivable from participants	<u>20,807</u>	<u>30,548</u>
Net assets available for benefits	<u>\$ 1,744,801</u>	<u>\$ 1,788,678</u>

See Notes to Financial Statements

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust**Statement of Changes in Net Assets Available for Benefits****For the year ended December 31, 2022**

Additions

Investment income (loss)	
Net depreciation of investments	\$ (418,311)
Dividend income	<u>123,782</u>
Total investment income (loss)	<u>(294,529)</u>
Interest income on notes receivable from participants	<u>1,655</u>
Contributions	
Participant	170,254
Company	<u>84,150</u>
Total contributions	<u>254,404</u>
Total investment income (loss) and other additions, net	<u>(38,470)</u>

Deductions

Benefits paid to participants	4
Administrative expenses	<u>5,403</u>
Total deductions	<u>5,407</u>
Net decrease	(43,877)

Net assets available for benefits, beginning of year	<u>1,788,678</u>
Net assets available for benefits, end of year	<u><u>\$ 1,744,801</u></u>

See Notes to Financial Statements

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 1. Description of the Plan

The following description of the PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Pac Tell Group, Inc. dba USFibers (the "Company") who have completed at least one year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Custodian of the plan is Mid Atlantic Trust Company ("MATC").

Plan amendments

The Plan was amended effective June 1, 2022 to update the definition of eligible compensation.

Contributions

Each year, participants may contribute up to 92 percent of eligible compensation, as either pre-tax or Roth contributions, as defined in the Plan. Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company has a safe harbor matching contribution equal to 100 percent on the first 3 and 50 percent on the next 2 percent of eligible compensation that a participant contributes. For the year ended December 31, 2022, the Company made \$84,150 in contributions to the Plan. The Company may also make discretionary profit sharing contributions. There were no discretionary profit sharing contributions during the year ended December 31, 2022. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts

Each participant's account is credited with the participant's contributions, Company contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their voluntary contributions and the Company's safe harbor matching contribution plus actual earnings thereon. Vesting in the Company discretionary profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after 6 years of credited service.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 1. Description of the Plan, Continued

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined at the time of origination of each loan, is 1 percent above prime rate, as defined. Principal and interest is paid ratably through weekly and semi-monthly payroll deductions.

Payment of benefits

On termination of service, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or other installment options as provided by the Plan. Hardship distributions are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 59½.

Note 2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the custodian. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 2. Summary of Significant Accounting Policies, Continued

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Payment of benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

Reclassification

Certain reclassifications have been made to the prior year's financial statements in order to conform with the current year presentation.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date that the financial statements were available to be issued.

Recently issued accounting pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board or other standards-setting bodies are not expected to have a material impact on the Plan's financial statements.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 3. Custodian Certifications

The following is a summary of the Plan's asset information as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Custodian and furnished to the plan administrator. The plan administrator has obtained certifications from the Custodian that the information provided to the plan administrator by the Custodian related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Mutual funds	\$ 1,723,994	\$ 1,758,130

The Custodian also certified the completeness and accuracy of \$418,311 of net depreciation in fair value of investments and \$123,782 of interest and dividends for the year ended December 31, 2022.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as;
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 4. Fair Value Measurements, Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds:

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,723,994	\$ -	\$ -	\$ 1,723,994

	2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,758,130	\$ -	\$ -	\$ 1,758,130

Note 5. Related-party and Party in Interest Transactions

Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the custodian and third party administrator totaling \$5,403 which were not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Plan has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company discretionary profit sharing contributions.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 7. Tax Status

Effective June 1, 2022, the Plan adopted a non-standardized pre-approved plan sponsored by Paychex Inc. (the "plan provider"). The pre-approved plan provider has received an advisory letter from the Internal Revenue Service as to the pre-approved plan's qualified status. The pre-approved plan advisory letter has been relied upon by this Plan. The plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the 2022 statement of net assets available for benefits.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust*Schedule H, Line 4i - Schedule of Assets (Held at End of Year) EIN 58-2311228, Plan No. 001**As of December 31, 2022*

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Mutual Funds				
	Templeton Foreign	Templeton Foreign Fund Class R6	**	\$ 10,146
	JP Morgan	JP Morgan Core Bond Fund Class R6	**	96,744
	MFS	MFS Total Return Fund Class R6	**	130,945
	T. Rowe Price	T. Rowe Price Retirement 2020 Fund	**	42,013
	T. Rowe Price	T. Rowe Price Retirement 2030 Fund	**	21,039
	T. Rowe Price	T. Rowe Price Retirement 2060 Fund	**	3,175
	T. Rowe Price	T. Rowe Price Retirement 2040 Fund	**	103,648
	T. Rowe Price	T. Rowe Price Retirement 2050 Fund	**	119,917
	T. Rowe Price	T. Rowe Price Retirement 2045 Fund	**	57,986
	T. Rowe Price	T. Rowe Price Retirement 2035 Fund	**	504,349
	T. Rowe Price	T. Rowe Price Retirement 2025 Fund	**	82,708
	Virtus Allianz Funds	Virtus AllianzGI Focused Growth R6	**	75,123
	Delaware Funds	Delaware Value Fund R6	**	78,481
	Fidelity	Fidelity Advisor Small Cap Z	**	116,868
	Franklin Templeton	Franklin Utilities Fund Class R6	**	16,695
	Ivy Investments	Delaware Ivy Science and Technology Fund Class Y	**	23,545
	MFS	MFS Mid Cap Value Fund Class R6	**	102,153
	MFS	MFS Mid Cap Growth Fund Class R6	**	12,105
	Vanguard	Vanguard Explorer Value Fund Investor Shares	**	927
	Touchstone	Touchstone Mid Cap Fund Class Y	**	1,158
	Victory	Victory Sycamore Small Co. Opportunity Fund Class I	**	9,130
	State Street	Hedged International Developed Equity Index Fund Class K	**	1,421
	Vanguard	Vanguard Federal Money Market Fund Investor	**	112,256
	State Street Bank & Trust Co.	State Street S&P 500 index fund Class K	**	<u>1,462</u>
				1,723,994

Notes receivable from participants

Notes receivable from participants	4.25%-7.50%	<u>20,807</u>	***
		<u>\$ 1,744,801</u>	

* Indicates a party in interest to the Plan

** Cost information omitted due to participant directed funds

*** Information not certified by the custodian

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Report on Financial Statements

For the year ended December 31, 2022



PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Contents

Page

Independent Auditor's Report.....	1 - 4
--	--------------

Financial Statements

Statements of Net Assets Available for Benefits.....	5
Statement of Changes in Net Assets Available for Benefits.....	6
Notes to Financial Statements	7 - 12

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	13
---	----

Independent Auditor's Report

Plan Administrator
PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust
Trenton, South Carolina

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from Mid Atlantic Trust Company ("MATC"), the Custodian, as of December 31, 2022 and 2021 and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying financial statements related to assets held by and certified to by the Custodian agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Elliott Davis, LLC
One 10th Street
Suite 400
Augusta, GA 30903
706.722.9090

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements, Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

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.

Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

Supplemental Schedule Required by ERISA, Continued

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by the Custodian agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Augusta, Georgia
October 11, 2023

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust***Statements of Net Assets Available for Benefits******As of December 31, 2022 and 2021***

	<u>2022</u>	<u>2021</u>
Assets		
Investments at fair value (see Note 4)	\$ 1,723,994	\$ 1,758,130
Notes receivable from participants	<u>20,807</u>	<u>30,548</u>
Net assets available for benefits	<u>\$ 1,744,801</u>	<u>\$ 1,788,678</u>

See Notes to Financial Statements

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust**Statement of Changes in Net Assets Available for Benefits****For the year ended December 31, 2022**

Additions

Investment income (loss)	
Net depreciation of investments	\$ (418,311)
Dividend income	<u>123,782</u>
Total investment income (loss)	<u>(294,529)</u>
Interest income on notes receivable from participants	<u>1,655</u>
Contributions	
Participant	170,254
Company	<u>84,150</u>
Total contributions	<u>254,404</u>
Total investment income (loss) and other additions, net	<u>(38,470)</u>

Deductions

Benefits paid to participants	4
Administrative expenses	<u>5,403</u>
Total deductions	<u>5,407</u>
Net decrease	(43,877)

Net assets available for benefits, beginning of year 1,788,678

Net assets available for benefits, end of year \$ 1,744,801

See Notes to Financial Statements

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 1. Description of the Plan

The following description of the PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Pac Tell Group, Inc. dba USFibers (the "Company") who have completed at least one year of service and are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Custodian of the plan is Mid Atlantic Trust Company ("MATC").

Plan amendments

The Plan was amended effective June 1, 2022 to update the definition of eligible compensation.

Contributions

Each year, participants may contribute up to 92 percent of eligible compensation, as either pre-tax or Roth contributions, as defined in the Plan. Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company has a safe harbor matching contribution equal to 100 percent on the first 3 and 50 percent on the next 2 percent of eligible compensation that a participant contributes. For the year ended December 31, 2022, the Company made \$84,150 in contributions to the Plan. The Company may also make discretionary profit sharing contributions. There were no discretionary profit sharing contributions during the year ended December 31, 2022. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant accounts

Each participant's account is credited with the participant's contributions, Company contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their voluntary contributions and the Company's safe harbor matching contribution plus actual earnings thereon. Vesting in the Company discretionary profit sharing contribution portion of their accounts is based on years of continuous service. A participant is 100 percent vested after 6 years of credited service.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 1. Description of the Plan, Continued

Notes receivable from participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested balance. The loans are secured by the balance in the participant's account. The loan interest rate, determined at the time of origination of each loan, is 1 percent above prime rate, as defined. Principal and interest is paid ratably through weekly and semi-monthly payroll deductions.

Payment of benefits

On termination of service, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or other installment options as provided by the Plan. Hardship distributions are permitted upon demonstration of financial hardship. All fully vested balances are available for distribution after the participant reaches the age of 59½.

Note 2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the custodian. See Note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 2. Summary of Significant Accounting Policies, Continued

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 and 2021.

Payment of benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and other distributions are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net depreciation in fair value of investments.

Reclassification

Certain reclassifications have been made to the prior year's financial statements in order to conform with the current year presentation.

Subsequent events

The Plan has evaluated subsequent events through October 11, 2023, the date that the financial statements were available to be issued.

Recently issued accounting pronouncements

Accounting standards that have been issued or proposed by the Financial Accounting Standards Board or other standards-setting bodies are not expected to have a material impact on the Plan's financial statements.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 3. Custodian Certifications

The following is a summary of the Plan's asset information as of December 31, 2022 and 2021, and for the year ended December 31, 2022, included throughout the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by the Custodian and furnished to the plan administrator. The plan administrator has obtained certifications from the Custodian that the information provided to the plan administrator by the Custodian related to the following assets is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to information which appears throughout the financial statements and supplemental schedule related to the following assets:

	<u>2022</u>	<u>2021</u>
Investments at fair value:		
Mutual funds	\$ 1,723,994	\$ 1,758,130

The Custodian also certified the completeness and accuracy of \$418,311 of net depreciation in fair value of investments and \$123,782 of interest and dividends for the year ended December 31, 2022.

Note 4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as;
- Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 4. Fair Value Measurements, Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual funds:

Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	2022			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,723,994	\$ -	\$ -	\$ 1,723,994

	2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,758,130	\$ -	\$ -	\$ 1,758,130

Note 5. Related-party and Party in Interest Transactions

Fees incurred by the Plan for the investment management services are included in net depreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made direct payments to the custodian and third party administrator totaling \$5,403 which were not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

Note 6. Plan Termination

Although it has not expressed any intent to do so, the Plan has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company discretionary profit sharing contributions.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust

Notes to Financial Statements

December 31, 2022 and 2021

Note 7. Tax Status

Effective June 1, 2022, the Plan adopted a non-standardized pre-approved plan sponsored by Paychex Inc. (the "plan provider"). The pre-approved plan provider has received an advisory letter from the Internal Revenue Service as to the pre-approved plan's qualified status. The pre-approved plan advisory letter has been relied upon by this Plan. The plan administrator believes the Plan is designed and is being operated in compliance with the applicable provisions of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the 2022 statement of net assets available for benefits.

PAC TELL GROUP INC 401(k) Profit Sharing Plan and Trust*Schedule H, Line 4i - Schedule of Assets (Held at End of Year) EIN 58-2311228, Plan No. 001**As of December 31, 2022*

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, and par or maturity value	Cost	Current value
Mutual Funds				
	Templeton Foreign	Templeton Foreign Fund Class R6	**	\$ 10,146
	JP Morgan	JP Morgan Core Bond Fund Class R6	**	96,744
	MFS	MFS Total Return Fund Class R6	**	130,945
	T. Rowe Price	T. Rowe Price Retirement 2020 Fund	**	42,013
	T. Rowe Price	T. Rowe Price Retirement 2030 Fund	**	21,039
	T. Rowe Price	T. Rowe Price Retirement 2060 Fund	**	3,175
	T. Rowe Price	T. Rowe Price Retirement 2040 Fund	**	103,648
	T. Rowe Price	T. Rowe Price Retirement 2050 Fund	**	119,917
	T. Rowe Price	T. Rowe Price Retirement 2045 Fund	**	57,986
	T. Rowe Price	T. Rowe Price Retirement 2035 Fund	**	504,349
	T. Rowe Price	T. Rowe Price Retirement 2025 Fund	**	82,708
	Virtus Allianz Funds	Virtus AllianzGI Focused Growth R6	**	75,123
	Delaware Funds	Delaware Value Fund R6	**	78,481
	Fidelity	Fidelity Advisor Small Cap Z	**	116,868
	Franklin Templeton	Franklin Utilities Fund Class R6	**	16,695
	Ivy Investments	Delaware Ivy Science and Technology Fund Class Y	**	23,545
	MFS	MFS Mid Cap Value Fund Class R6	**	102,153
	MFS	MFS Mid Cap Growth Fund Class R6	**	12,105
	Vanguard	Vanguard Explorer Value Fund Investor Shares	**	927
	Touchstone	Touchstone Mid Cap Fund Class Y	**	1,158
	Victory	Victory Sycamore Small Co. Opportunity Fund Class I	**	9,130
	State Street	Hedged International Developed Equity Index Fund Class K	**	1,421
	Vanguard	Vanguard Federal Money Market Fund Investor	**	112,256
	State Street Bank & Trust Co.	State Street S&P 500 index fund Class K	**	<u>1,462</u>
				1,723,994

Notes receivable from participants

Notes receivable from participants	4.25%-7.50%	<u>20,807</u>	***
		<u>\$ 1,744,801</u>	

* Indicates a party in interest to the Plan

** Cost information omitted due to participant directed funds

*** Information not certified by the custodian