TECHNOLOGIES MANAGEMENT INC.

August 31, 2016
Via Overnight Delivery

Ms. Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Atlantic Broadband (Miami), LLC - Company Code TY 117
Application for Approval of Transfer of Existing Certificate

Dear Ms. Stauffer:

Enclosed for filing please find the original and one (1) copy of the Application for Approval of Transfer of Existing Certificate submitted on behalf of Atlantic Broadband (Miami), LLC to Atlantic Broadband Enterprise, LLC. A check in the amount of $500.00, representing the filing fee is included with this Application.

The Company is requesting confidential treatment of the financial statements which are required for Exhibit B. Pursuant to the requirements of Rule 25-22.006(5)(a), a redacted and confidential copy of the financial statements is submitted with and as part of the above captioned proceeding. This material is confidential and should be treated accordingly pursuant to Chapter 364.183(1), Florida Statutes.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3031 or via email to sthomas@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Sharon Thomas
Consultant to Atlantic Broadband Enterprise LLC

tms: FLx1601

Enclosures
ST/im

REDACTED

COM
AFD
APA
ECO
ENG
GCL
IDM
TEL 1
CLK

TECHNOLOGIES MANAGEMENT, INC.
P.O. BOX 200
WINTER PARK, FL 32790-0200
(407) 740-8575

REGIONS BANK [redacted]

61674

8/31/2016

PAY TO THE ORDER OF Florida Public Service Commission $ **500.00

Five Hundred and 00/100** DOLLARS

Florida Public Service Commission
Records & Reporting
2540 Shumard Oaks Blvd.
Tallahassee, Fl 32302-1500

TECHNOLOGIES MANAGEMENT, INC.

MEMO Atlantic Broadband Transfer of Certificate

AUTHORIZED SIGNATURE

[redacted]

TECHNOLOGIES MANAGEMENT, INC. 61674

Florida Public Service Commission 8/31/2016

514.000 · Reimburseable Client Expense Atlantic Broadband Transfer of Certificate 500.00

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

Initials of person who forwarded check:

MTS
9/1/16

Cash Operating Regio Atlantic Broadband Transfer of Certificate 500.00

FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF TELECOMMUNICATIONS

APPLICATION FORM
FOR
AUTHORITY TO PROVIDE TELECOMMUNICATIONS COMPANY SERVICE WITHIN THE STATE OF FLORIDA

Instructions

A. This form is used as an application for an original certificate and for approval of transfer of an existing certificate. In the case of a transfer, the information provided shall be for the transferee (See Page 8).

B. Print or type all responses to each item requested in the application. If an item is not applicable, please explain.

C. Use a separate sheet for each answer which will not fit the allotted space.

D. Once completed, submit the original and one copy of this form along with a non-refundable application fee of **$500.00** to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

E, A filing fee of **$500.00** is required for the transfer of an existing certificate to another company.

F. If you have questions about completing the form, contact:

Florida Public Service Commission
Office of Telecommunications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600

1. This is an application for (check one):

   ☐ **Original certificate** (new company).

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

2. Name of company: Atlantic Broadband Enterprise, LLC

3. Name under which applicant will do business (fictitious name, etc.):

4. Official mailing address:

Street/Post Office Box:	2 Batterymarch Park, Suite 205
City:	Quincy
State:	MA
Zip:	02169

5. Florida address:

Street/Post Office Box:	1681 Kennedy Causeway
City:	North Bay Village
State:	FL
Zip:	33141

6. Structure of organization:

☐ Individual	☐ Corporation
☐ Foreign Corporation	☐ Foreign Partnership
☐ General Partnership	☐ Limited Partnership
☒ Other, please specify:	Foreign Limited Liability Company

If individual, provide:

Name: ______
Title: ______
Street/Post Office Box: ______
City: ______
State: ______
Zip: ______
Telephone No.: ______
Fax No.: ______
E-Mail Address: ______
Website Address: ______

7. **If incorporated in Florida,** provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is:

8. **If foreign corporation,** provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: M13000000446 (Limited Liability Company)

9. **If using fictitious name (d/b/a),** provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is:

10. **If a limited liability partnership,** please proof of registration to operate in Florida. The Florida Secretary of State registration number is:

11. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: ______
Title: ______
Street/Post Office Box: ______
City: ______
State: ______
Zip: ______
Telephone No.: ______
Fax No.: ______
E-Mail Address: ______
Website Address: ______

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

13. Provide **F.E.I. Number**: 30-0797183

14. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Name:	Sharon Thomas
Title:	Consultant
Street Name & Number:	151 Southhall Lane, Suite 450
Post Office Box:	
City:	Maitland
State:	FL
Zip:	32751
Telephone No.:	407-740-3031
Fax No.:	407-740-0163
E-Mail Address:	sthomas@tminc.com
Website Address:	www.tminc.com

(b) Official point of contact for the ongoing operations of the company:

Name:	Leslie Brown
Title:	Senior Vice President/General Counsel/Secretary
Street Name & Number:	2 Batterymarch Park, Suite 205
Post Office Box:	
City:	Quincy
State:	MA
Zip:	02169
Telephone No.:	617-786-8800
Fax No.:	617-786-8803
E-Mail Address:	lbrown@atlanticbb.com
Website Address:	www.atlanticbb.com

(c) Where will you officially designate as your place of publicly publishing your schedule (a/k/a tariffs or price lists)?

☐ Florida Public Service Commission

☒ Website – *Website address*: www.atlanticbb.com

☐ Other – *Please provide address*:

15. List the states in which the applicant:

(a) has operated as a telecommunications company.

The Company previously operated as a telecommunications company in Florida, under Certificate No. 8845 (see response to 16(b) for more explanation).

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

None.

(c) is certificated to operate as a telecommunications company.

None.

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

None.

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

None.

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

None.

16. Have any of the officers, directors, or any of the ten largest stockholders previously been:

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

If yes, provide explanation.

(b) Granted or denied a certificate in the State of Florida (this includes active and canceled certificates). ☒ Yes ☐ No

If yes, provide explanation and list the certificate holder and certificate number.

Atlantic Broadband Enterprise, LLC, previously held Certificate No. 8845 authorizing it to provide local telecommunications service. It requested and received approval to transfer that certificate to Atlantic Broadband (Miami), LLC in Docket No. 150205-TX (see Order No. PSC-16-0031-CO-TX, issued January 19, 2016). Both entities have the same direct parent company, Atlantic Broadband Finance, LLC, and the same officers, directors and shareholders.

As the result of a corporate business decision, the Applicant wishes now to transfer Certificate No. 8845 back to Atlantic Broadband Enterprise, LLC. The transfer will have no effect on the Company's operations in Florida.

(c) an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. ☒ Yes ☐ No

If yes, give name of company and relationship. If no longer associated with company, give reason why not. *See response to 16(b).*

17. Submit the following:

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

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

(c) **Financial Capability**: applicant's audited financial statements for the most recent three (3) years. If the applicant does not have audited financial statements, it shall so be stated. Unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include: (*Exhibit B*)

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial capability, technical capability, and financial capability. Additional supporting information can be supplied at the discretion of the applicant.*

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

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

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

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

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

COMPANY OWNER OR OFFICER

Print Name:	Leslie Brown
Title:	Senior Vice President/General Counsel/Secretary
Telephone No.:	617-786-8800
E-Mail Address:	lbrown@atlanticbb.com

Signature: Leslie Brown Date: 8-15-16

CERTIFICATE TRANSFER

As current holder of Florida Public Service Commission Certificate Number *8845*, I have reviewed this application and join in the petitioner's request for a transfer of the certificate.

COMPANY OWNER OR OFFICER

Print Name:	Leslie Brown
Title:	Senior Vice President/General Counsel/Secretary
Street/Post Office Box:	2 Batterymarch Park, Suite 205
City:	Quincy
State:	MA
Zip:	02169
Telephone No.:	617-786-8800
Fax No.:	617-786-8803
E-Mail Address:	lbrown@atlanticbb.com

Signature: Leslie J Brown Date: 8-15-16

Exhibit A

Management Resumes

Richard J. Shea
President and Chief Executive Officer
Rich has administered, designed and implemented high level information and technology systems to support cable, broadband and telecommunications companies for 20 years. Most recently, Rich served as CTO for AltiComm and previously was the founder and President of Broadband Applications Management, a company focused on designing and implementing OSS and BACC systems. Rich also served in VP and senior positions at Carolina Broadband, MediaOne, Arrowsmith Technologies and General Electric.

Rich is a graduate of the US Military Academy at West Point with a BS in Engineering. He served as an officer in the army overseas and in the US before achieving the rank of Captain and leaving for private industry. He also holds an MBA from Boston University.

David Isenberg
President and Chief Revenue Officer
Dave has extensive product development and management experience including a history of major product innovations such as the initial launch of High Speed Internet for MediaOne. Dave leads new product introduction, product pricing and packaging, and strategic business planning initiatives for Atlantic Broadband. In his current role, Dave's efforts have led to the successful launch of residential and commercial telephony, DVR and Video On Demand services, DOCSIS 3 Internet speeds, innovative bundle strategies and other product enhancements.

Prior to Atlantic Broadband, Dave was Vice President, Business Development at Engage Inc. where he led a team of business development executives focused on 'next generation' interactive advertising opportunities in four specific areas: streaming media, interactive TV, wireless applications and ad-enabled software.

Dave has a BA in History from Yale University as well as an MBA from Harvard University.

Patrick Bratton
Senior Vice President and Chief Financial Officer
Pat is a seasoned executive with experience providing financial management for telecommunication, energy conservation and accounting services companies for 15 years. Prior to joining Atlantic Broadband, Pat was the CFO at Quorum Broadcast Holdings, where he managed the financial operations of 13 locations and the benefits program for over 600 employees. He was also CFO for Sullivan Broadcast Holdings, where he assisted in the $1 billion sale of the station group, providing investors with a compounded return in excess of 50 percent. Pat began his career as an audit manager for Price Waterhouse and as Corporate Controller for DMC Services.

Pat is a magna cum laude graduate of Northeastern University, with a degree in Accounting and Management.

Leslie Brown
Senior Vice President and General Counsel
Leslie has 20 years of experience advising clients on legal and regulatory matters in the cable

and telecommunications industry.
Most recently, Leslie served as Vice President and Deputy General Counsel for Lightower Fiber Networks, a premier provider of high-capacity fiber optic network services in the Northeast, where she was responsible for all legal affairs of the company, including regulatory compliance, commercial contracts and managing the legal department through multiple corporate acquisitions. Prior to Lightower, Leslie served as Vice President of Law and Public Policy for Adelphia Cable's Northeast Region. In this capacity, she led a team of legal and government affairs professionals responsible for all legal, regulatory and public policy matters.

Leslie is a graduate of the State University of New York – Fredonia and the University of Pittsburgh School of Law.

David J. Keefe
Senior Vice President and General Manager, Florida
Dave has more than 30 years experience in the industry. He has built and managed broadband and cable systems in the United States, South America, Europe and Asia.
Before forming Atlantic Broadband, Dave was COO of Horizon Telecom International in Brazil where he managed all aspects of network design, construction, marketing, sales, finance and operations. He was also CEO of the largest cable companies in Poland and Hungary and COO of Wharf Cable Hong Kong. At Wharf Cable, Dave led development of one of the first HFC platforms in the world utilizing fiber infrastructure designed to support digital and voice.

Dave began his career helping to found American Cablesystems and was responsible for the development, acquisition, and management of all systems in Massachusetts and in California.

Dave is a graduate of Bridgewater State College in Massachusetts.

Thomas Roundtree
Senior Vice President, Human Resources
Tom brings more than 20 years of experience in human resource management, operations and training and organizational development.
Most recently, Tom served as Principal of The Adaptive Leader, a consulting group providing HR services to a variety of major clients. He was also VP of Human Resources at Marconi Communications, formerly FORE System, where he was responsible for human resource programs, projects and services for a division of 5,000 employees in North, Latin and South America. Prior to those positions, Tom helped provide all human resource services at FedEx Ground, formerly RPS, Inc., for a headquarters staff of 1,300.

Tom began his career in the US Air Force where he was involved with personnel training and development in addition to flight operations. He was recalled to active duty during Operation Desert Shield/Storm and Allied Force and was awarded three Air Medals for his missions. Tom is a retired Lieutenant Colonel from the Air National Guard.

Tom has a BA from the University of Pittsburgh in Economics and an MPA in Administrative Organization and Management from Golden Gate University.

Acquisitions Cogeco Cable II Inc.

Consolidated Financial Statements as of and for the Fiscal Years Ended August 31, 2015 and 2014, and Independent Auditors' Report

ACQUISITIONS COGECO CABLE II INC.

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Deloitte.

Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116
USA

Tel: +1 617 437 2000
Fax +1 617 437 2111
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Acquisitions Cogeco Cable II Inc.
Quincy, Massachusetts

We have audited the accompanying consolidated financial statements of Acquisitions Cogeco Cable II Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of August 31, 2015 and 2014, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditors' 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 Company'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 Company'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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acquisitions Cogeco Cable II Inc. and its subsidiaries as of August 31, 2015 and 2014, and the results of their operations and their cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche L.L.P

November 25, 2015

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED BALANCE SHEETS
AS OF AUGUST 31, 2015 AND 2014
(In thousands, except share data)

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash	$ [redacted]	$ [redacted]
Accounts receivable—net of allowance for doubtful accounts of $404 and $352 for 2015 and 2014, respectively	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PLANT, PROPERTY, AND EQUIPMENT—Net	[redacted]	[redacted]
FRANCHISE RIGHTS	[redacted]	[redacted]
GOODWILL	[redacted]	[redacted]
OTHER INTANGIBLE ASSETS—Net	[redacted]	[redacted]
TOTAL	[redacted]	[redacted]
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of notes payable to affiliates	$ [redacted]	$ [redacted]
Accrued interest	[redacted]	[redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Unearned service revenue	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
NOTES PAYABLE TO AFFILIATES—Net of current portion	[redacted]	[redacted]
DEFERRED TAX LIABILITY	[redacted]	[redacted]
OTHER LONG-TERM LIABILITIES	[redacted]	[redacted]
Total liabilities	[redacted]	[redacted]
COMMITMENTS AND CONTINGENCIES (Note 13)		
STOCKHOLDERS' EQUITY:		
Common stock—$0.01 par value, 5,000 shares authorized, and 1,000 shares issued and outstanding	[redacted]	[redacted]
Additional paid-in capital	[redacted]	[redacted]
Retained earnings	[redacted]	[redacted]
Total stockholders' equity	[redacted]	[redacted]
TOTAL	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands)

	2015	2014
REVENUE	[redacted]	[redacted]
OPERATING EXPENSES:		
Direct operating expenses (excluding depreciation and amortization shown separately below)	[redacted]	[redacted]
Selling, general, and administrative expenses (excluding depreciation and amortization shown separately below)	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Loss on disposal of plant, property, and equipment	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
INCOME FROM OPERATIONS	[redacted]	[redacted]
INTEREST EXPENSE	[redacted]	[redacted]
INCOME BEFORE INCOME TAXES	[redacted]	[redacted]
PROVISION FOR INCOME TAXES	[redacted]	[redacted]
NET INCOME	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands, except share data)

	Common Stock $0.01 Par Value		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
BALANCE—September 1, 2013	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Net income				[redacted]	[redacted]
BALANCE—August 31, 2014	1,000	1	[redacted]	[redacted]	[redacted]
Net income				[redacted]	[redacted]
BALANCE—August 31, 2015	1,000	$ 1	[redacted]	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ [redacted]	$ [redacted]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	[redacted]	[redacted]
Provision for doubtful accounts		
Provision for deferred income taxes		
Loss on disposal of plant, property, and equipment		
Changes in operating assets and liabilities:		
Accounts receivable	[redacted]	[redacted]
Prepaid expenses and other current assets		
Accounts payable, accrued expenses, other long-term liabilities, and accrued interest	[redacted]	[redacted]
Unearned service revenue		
Net cash from operating activities	[redacted]	[redacted]
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition—net of cash acquired	[redacted]	
Purchases of plant, property, and equipment		[redacted]
Proceeds from sale of plant, property, and equipment		
Net cash used in investing activities	[redacted]	[redacted]
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt to affiliates	[redacted]	
Repayments of note payable to affiliates		[redacted]
Net cash from financing activities	[redacted]	[redacted]
NET CHANGE IN CASH	[redacted]	[redacted]
CASH:		
Beginning of year	[redacted]	[redacted]
End of year	$ [redacted]	$ [redacted]
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ [redacted]	[redacted]
Cash paid for income taxes	[redacted]	[redacted]
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITY—Year-end balance in accounts payable and accrued expenses for plant, property, and equipment	[redacted]	[redacted]

See notes to consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Acquisitions Cogeco Cable II Inc. (the "Company") was formed in the state of Delaware on July 25, 2012. The Company is an indirect wholly owned subsidiary of Cogeco Cable Inc. ("Cogeco Cable" or the "Parent Company") and Acquisitions Cogeco Cable II LP ("Acquisitions II LP").

On July 18, 2012, Cogeco Cable entered into an agreement (the "Acquisition Agreement") to acquire all of the outstanding stock of Atlantic Broadband (Management) Holdings, Inc., Atlantic Broadband (Penn) Holdings, Inc., Atlantic Broadband (Miami) Holdings, Inc., Atlantic Broadband (Delmar) Holdings, Inc., and Atlantic Broadband (SC) Holdings, Inc. (collectively, "AB Holding Companies").

On November 30, 2012, Cogeco Cable assigned its rights under the Acquisition Agreement to the Company. The Company obtained equity and debt financing from entities affiliated with Cogeco Cable for purposes of financing the acquisition of the AB Holding Companies, which was consummated on November 30, 2012. In conjunction with the acquisition, the AB Holding Companies were reorganized whereby each of Atlantic Broadband (Miami) Holdings, Inc., Atlantic Broadband (Delmar) Holdings, Inc., and Atlantic Broadband (SC) Holdings, Inc. were merged into Atlantic Broadband (Penn) Holdings, Inc., such that the surviving entities comprising the AB Holding Companies were Atlantic Broadband (Management) Holdings, Inc. and Atlantic Broadband (Penn) Holdings, Inc.

On August 20, 2015, the Company acquired substantially all of the assets of Metrocast Communications of Connecticut, LLC ("Metrocast of CT"). The acquisition of Metrocast of CT allows the Company to offer services in certain regions of the state of Connecticut.

The Company offers its customers traditional cable video programming, as well as high-speed data and telephony services and other advanced video-related broadband services, such as high-definition television. The Company sells video programming, high-speed data, telephony, and advanced broadband cable services on a subscription basis over its regional distribution systems in Western Pennsylvania, South Florida, Maryland/Delaware, South Carolina, and Connecticut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements presented herein include the consolidated accounts of Acquisitions Cogeco Cable II Inc. and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

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 assumptions and estimates that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. Management evaluates estimates on an ongoing basis, including those related to the useful lives of plant, property, and equipment and finite-lived intangible assets, as well as the recoverability of the carrying values of goodwill, intangible assets, and fixed assets (which include capitalized labor and overhead costs), and commitments and contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the then-current circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The intent is to accurately state assets and liabilities given the facts known at the time. These assumptions may prove incorrect as facts change in the future and therefore actual results may differ materially from those estimates under different assumptions or conditions.

Accounts Receivable and Allowance for Doubtful Accounts—The Company carries its accounts receivable at their face amounts, less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts through the provision of bad debt expense, based on historical trends and analysis. The Company's policy to reserve against potential bad debts is based on the aging of the individual receivables. The Company manages credit risk by disconnecting services to customers who are delinquent. The practice to write off the individual receivables is performed after all resources to collect the funds have been exhausted. Actual bad debt expense may differ from the amounts reserved.

Fair Value of Financial Instruments—The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 utilizes quoted market prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and notes payable to affiliate. Due to the short-term nature of these instruments, with the exception of notes payable to affiliates, their estimated fair value approximates carrying value. Note payables to affiliates are recorded at par.

There are no material financial assets or liabilities as of August 31, 2015 and 2014 that required measurement at fair value on a recurring basis.

Plant, Property, and Equipment—Plant, property, and equipment are recorded at cost. Initial customer installation costs are capitalized. Sales and marketing costs, as well as costs of subsequent disconnection and reconnection of a given household, are charged to expense. Capitalized costs include materials, labor, and certain other direct costs attributable to the capitalization activity. Maintenance and repairs are charged to expense when incurred. Upon sale or retirement, the cost and related depreciation are removed from the related accounts and resulting gains or losses are reflected in operating results.

Plant and equipment are depreciated over the estimated useful life upon being placed into service. Depreciation of plant and equipment is provided on a straight-line basis over the following estimated useful lives:

Asset Category	Estimated Useful Life (Years)
Office equipment and other	3–10
Subscriber equipment	4
Vehicles	5
Headend equipment	5–15
Distribution facilities	5–20
Building and leasehold improvements	The shorter of 10–40 or the remaining lease term

Capitalization of Labor and Overhead Costs—The cable industry is capital intensive, and a large portion of our resources are spent on capital activities associated with extending, building, and upgrading the cable network. Costs associated with network construction, initial customer installations, installation refurbishments, and the addition of network equipment necessary to enable advanced services are capitalized when such costs are anticipated to provide future economic benefits. Costs capitalized as part of initial customer installations include materials, direct labor costs associated with capital projects, and certain indirect costs. The Company capitalizes direct labor costs associated with personnel based upon the specific time devoted to construction and customer installation activities. Indirect costs are associated with the activities of personnel who assist in connecting and activating the new service and consist of compensation and overhead costs associated with these support functions. The costs of disconnecting service at a customer's dwelling or reconnecting service to a previously installed dwelling are charged to operating expense in the period incurred. Costs for repairs and maintenance are charged to operating expense as incurred, while equipment replacement and betterments, including replacement of cable drops from the pole to dwelling, are capitalized.

The Company amortizes the capitalized labor and overhead costs over the life of the related equipment, which ranges from 5 to 10 years. The vast majority of these capitalized costs relate to customer installation activity and related equipment additions.

Judgment is required to determine the extent to which indirect costs, or overhead, are incurred as a result of specific capital activities and, therefore, should be capitalized. The Company capitalizes overhead based upon an allocation of the portion of indirect costs that contribute to capitalizable activities using an overhead rate applied to the amount of direct labor capitalized. The Company has established overhead rates based on an analysis of the nature of costs incurred in support of capitalizable activities and a determination of the portion of costs, which are directly attributable to capitalizable activities. The primary costs that are included in the determination of overhead rates are (i) employee benefits and payroll taxes associated with capitalized direct labor; (ii) direct variable costs associated with capitalizable activities, consisting primarily of installation and construction vehicle costs; (iii) the cost of support personnel, such as dispatch that directly assist with capitalizable installation activities; and (iv) other costs directly attributable to capitalizable activities.

Goodwill and Intangible Assets—Intangible assets consist primarily of acquired franchise rights and subscriber relationships. Franchise rights represent the value attributable to agreements with local franchising authorities, which allow access to homes in the public right of way acquired through a business combination. Subscriber relationships represent the value to the Company of the benefit of acquiring the existing cable television subscriber base. The Company considers franchise rights to have an indefinite life. The Company reached its conclusion regarding the indefinite useful life of its franchise rights principally because (i) there are no legal, regulatory, contractual, competitive, economic, or other factors limiting the period over which these rights will continue to contribute to the Company's cash flows; (ii) as an incumbent franchisee, the Company's renewal applications are granted by the local franchising authority on their own merits and not as part of a comparative process with competing applications; and (iii) under the 1984 Cable Act, a local franchising authority may not unreasonably withhold the renewal of a cable system franchise. The costs incurred in negotiating and renewing cable franchise agreements are expensed as incurred. The Company will reevaluate the expected life of its cable franchise rights at each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The subscriber relationships are being amortized over the estimated useful life of the subscriber base. The useful lives for the subscriber relationships is estimated to be approximately eight years and at the end of each reporting period, or earlier, if circumstances warrant, the Company reassesses the estimated useful life of the relationships.

Goodwill impairment is determined using a two-step process. The first step involves a comparison of the estimated fair value of each of the Company's five reporting units to their carrying amount, including goodwill. In performing the first step, the Company determines the fair value of a reporting unit using a combination of a discounted cash flow (DCF) analysis and a market-based approach. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows, as well as relevant comparable company earnings multiples for the market-based approach. The cash flows employed in the DCF analyses are based on the Company's forecasted operating results, which include estimates of future growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the future cash flows of the respective reporting units. In addition, the market-based approach utilizes comparable company public trading values, research analyst estimates, and, where available, values observed in private market transactions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment test is not necessary. If the carrying amount of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with its carrying amount to measure the amount of impairment, if any. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. In other words, the estimated fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment is recognized in an amount equal to that excess.

The impairment test for franchise rights not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the franchise rights exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of franchise rights are determined using a DCF valuation analysis. The DCF methodology used to value cable franchise rights entails identifying the projected discrete cash flows related to such cable franchise rights and discounting them back to the valuation date. Significant judgments inherent in this analysis include the selection of appropriate discount rates, estimation of the amount and timing of future cash flows attributable to cable franchise rights, and identification of appropriate terminal growth rate assumptions. The discount rates used in the DCF analyses are intended to reflect the risk inherent in the projected future cash flows generated by the respective franchise rights.

The Company tests for impairment of its goodwill and franchise rights annually or whenever events or changes in circumstances indicate that these assets might be impaired. An impairment assessment of goodwill and franchise rights could be triggered by a significant reduction in operating results or cash flows at one or more of the Company's reporting units, or a forecast of such reductions, a significant adverse change in the locations in which the Company's reporting units operate, or by adverse changes to ownership rules, among others. The Company completed its annual impairment evaluation on August 31, 2015, and did not identify any impairment.

Realizability of Long-Lived Assets—The carrying values of long-lived assets, which include construction material; plant, property, and equipment; and other intangible assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds its fair value. The carrying amount is not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the assets. Any impairment loss would be measured as the amount by which the carrying amount exceeded the fair value, most likely determined by future DCFs. There have been no impairments or trigger events during the fiscal years ended August 31, 2015 and 2014.

Deferred Credits—Deferred credits consist primarily of deferred launch incentives. The Company receives launch incentive payments from programmers. These incentive payments are deferred and recognized over the life of the related programming agreements as an offset to programming costs in direct expenses.

Asset Retirement Obligations—The fair value of asset retirement obligations associated with an entity's obligation to retire tangible long-lived assets is recognized in the period in which it is incurred and can be reasonably estimated. Such asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's estimated useful life. Fair value estimates of asset retirement obligations generally involve discounting of estimated future cash flows. Periodic accretion of such liabilities due to the passage of time is recorded as an operating expense. Adjustments are also made to the asset retirement obligation liability to reflect changes in the estimates of timing and amount of expected cash flows, with an offsetting adjustment made to the related tangible long-lived asset.

Certain of the Company's cable franchise agreements contain provisions requiring the removal of its plant infrastructure in the event that the franchise agreement is not renewed. The Company recognizes a liability for the removal of its plant infrastructure by discounting the estimated cost of removal over the estimated service period of 25 years. As of August 31, 2015 and 2014, the estimated asset retirement obligation wa[redacted]nd [redacted] respectively, which is recorded as a component of other long-term liabilities on the consolidated balance sheets.

Guarantees—As permitted under Delaware law, the Company indemnifies its officers, directors, and employees for certain events or occurrences that happen by reason of the relationship with or position held at the Company. In the normal course of business, the Company may indemnify other parties, including lenders, landlords, and other vendors, with respect to certain matters.

The Company leases office and warehouse space under both cancelable and noncancelable operating leases and is also party to a marketing and distribution agreement (see Note 13). The Company has standard indemnification arrangements under these agreements that require it to indemnify the counterparties against all costs, expenses, fines, suits, claims, demands, liabilities, and actions directly resulting from any breach, violation, or nonperformance of any covenant or condition of the agreements.

As of August 31, 2015 and 2014, the Company had not experienced any losses related to these indemnification obligations and no material claims were outstanding. The Company does not expect significant claims related to these indemnification obligations and, consequently, concluded that the fair value of these obligations is not material. Accordingly, no reserves have been established.

Revenue Recognition—Revenues are generally recognized when evidence of an arrangement exists, services are rendered, the selling price is determinable, and collectability is reasonably assured. Revenues from video, Internet access, and telephony services are recognized based upon monthly service fees or fees per event. In instances where customers are billed in advance of monthly services, the unearned service revenue is deferred until the services are delivered. Revenue for customer fees, equipment rental, advertising, and pay-per-view programming is recognized in the period that the services are delivered. Video and non-video installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Direct selling costs have exceeded installation revenue for the period ended August 31, 2015, requiring no deferral of such revenue. Any programming incentive revenue received is deferred and recognized over the life of the underlying contract. Under the terms of the Company's nonexclusive franchise agreements, the Company is generally required to pay up to 5% of its gross revenues derived from providing cable service to the local franchise authority. The Company normally passes these fees through to its cable subscribers and records these fees in revenue with a corresponding amount included in direct expenses.

Video Programming Costs—Video programming costs are recorded as the services are provided based on the Company's contractual agreements with its programming vendors. These contracts are generally multiyear agreements that provide for the Company to make payments to the programming vendors at agreed-upon rates based on the number of subscribers to which the Company provides the programming service. The costs are recorded as a component of direct operating expenses in the consolidated statements of operations.

Marketing Costs—The cost of marketing, advertising, and selling is expensed as incurred and is included in selling, general, and administrative expenses in the consolidated statements of operations. Marketing, advertising, and selling expense for the fiscal years ended August 31, 2015 and 2014, was $18,293 and $15,245, respectively.

Income Taxes—The Company provides for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records deferred tax assets to the extent it believes these assets will more likely than not be realized. All available positive and negative evidence is reviewed in making a determination. The evidence includes future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial operations. The realization of the deferred income tax assets ultimately depends on the existence of sufficient taxable income in either the carryback or carryforward periods under tax law. If future events differ from the Company's current forecasts, a valuation allowance may need to be established.

The Company assesses its income tax positions and records tax benefits based upon management's evaluation of the facts, circumstances, and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company records the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit is recognized in the consolidated financial statements. It is the Company's policy to classify liabilities for uncertain tax positions as noncurrent liabilities unless the uncertainty is expected to be resolved within one year and to classify charges for interest and penalties on uncertain tax positions as income tax expense. As of August 31, 2015 and 2014, the Company has not identified any material uncertain tax positions requiring recognition of a liability.

Concentrations of Risk—Certain financial instruments potentially subject the Company to concentrations of credit risk. These financial instruments consist primarily of accounts receivables and cash. The Company places its cash with high-credit-quality financial institutions and limits the amount of credit exposure to any one financial institution. The Company periodically assesses the creditworthiness of the institutions with which it invests. The Company does, however, maintain invested balances in excess of federally insured limits. The Company periodically assesses the creditworthiness of its customers. Concentrations of credit risk are limited as no single customer accounts for a significant portion of the balance. Approximately [redacted] of the Company's labor force is party to collective bargaining agreements.

Business Combinations—The Company accounts for business combinations at fair value. All changes that do not qualify as measurement period adjustments are included in current-period earnings. Significant judgment is required to determine the estimated fair value for assets and liabilities acquired and to assigning their respective useful lives. The fair values assigned to tangible and intangible assets acquired and liabilities assumed, including contingent consideration, are based on management's estimates and assumptions, as well as other information compiled by management, including available historical information and valuations that utilize customary valuation procedures and techniques.

The Company generally employs the income method to estimate the fair value of intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants, and include the amount and timing of future cash flows (including expected growth rates and profitability), the anticipated subscriber churn rate, the selection of discount rates that are intended to reflect the risks that are inherent in the projected cash flows, the determination of terminal growth rates, and judgments about the useful life and pattern of use of the underlying intangible asset. The Company generally employs a combination of the market and cost approaches to estimate the fair value of acquired plant, property, and equipment. These valuation methods also require significant estimates and assumptions about current market values, replacement costs, the physical and functional obsolescence of the asset, and its remaining useful life. If the actual results differ from the assumptions and judgments used in these estimates, the amounts recorded in the consolidated financial statements could result in a possible impairment of the acquired plant, property, and equipment; intangible assets and/or goodwill; or require acceleration of the depreciation and/or amortization expense of long-lived assets.

Subsequent Events—Management has evaluated subsequent events occurring through November 25, 2015, the date that these consolidated financial statements were available to be issued, and determined that no subsequent events occurred that would require recognition or disclosure in these consolidated financial statements.

3. ACQUISITION

On August 20, 2015, the Company acquired substantially all of the assets of Metrocast Communications of Connecticut, LLC ("Metrocast of CT") for approximately [redacted] million in cash. The purchase was funded through the combination of additional debt financing and the use of the revolving credit facility. Metrocast of CT offers to its customers traditional cable video programming, as well as high-speed data, telephony services, and other advanced video-related broadband services, such as high-definition television.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition.

Fair value of consideration paid—cash	[redacted]
Fair value of assets acquired and liabilities assumed:	
Accounts receivable	$ [redacted]
Prepaid expenses and other current assets	[redacted]
Plant, property, and equipment	[redacted]
Intangible assets—franchise rights	[redacted]
Intangible assets—subscriber relationships	[redacted]
Goodwill	[redacted]
Accounts payable and accrued expenses	[redacted]
Unearned service revenue	[redacted]
Total net assets acquired	[redacted]

Of the total purchase price, [redacted] was assigned to franchise rights which are not subject to amortization and $13,000 was assigned to subscriber relationships with an estimated useful life of eight years. The Company also recognized [redacted] of goodwill, which is primarily attributable to expected synergies to be achieved by continued expansion in the United States market. The goodwill created by the transaction is deductible for tax purposes.

As of August 31, 2015, the allocation of the purchase price for the Metrocast of CT acquisition is preliminary. The fair value of all of the acquired identifiable assets and liabilities are provisional pending finalization of the Company's acquisition accounting. The Company believes that such preliminary allocations provide a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but the Company is waiting for additional information necessary to finalize fair value.

The transaction has been accounted for as a business combination and is included in the Company's results of operations from August 20, 2015, the date of acquisition. The Company incurred transaction costs of [redacted] in connection with the acquisition. These costs have been recorded as selling, general, and administrative expenses within the consolidated statement of operations for the fiscal year ended August 31, 2015.

4. PLANT, PROPERTY, AND EQUIPMENT

Plant, property, and equipment as of August 31, 2015 and 2014, consist of the following:

	2015	2014
Distribution facilities	[redacted]	$[redacted]
Subscriber equipment	[redacted]	[redacted]
Headend equipment	[redacted]	[redacted]
Buildings and leasehold improvements	[redacted]	[redacted]
Office equipment and other	[redacted]	[redacted]
Vehicles and equipment	[redacted]	[redacted]
Land	[redacted]	[redacted]
Construction in progress	[redacted]	[redacted]
Material inventory	[redacted]	[redacted]
Total plant, property, and equipment	[redacted]	[redacted]
Less accumulated depreciation	[redacted]	[redacted]
Plant, property, and equipment—net	[redacted]	$[redacted]

Depreciation expense for the fiscal years ended August 31, 2015 and 2014 was [redacted] and [redacted], respectively.

5. GOODWILL AND INTANGIBLE ASSETS

The carrying values of goodwill and the indefinite-lived franchise rights as of August 31, 2015, were [redacted] and [redacted], respectively, and as of August 31, 2014, were [redacted] and [redacted], respectively. For the fiscal years ended August 31, 2015 and 2014, there were no historical impairments of these assets and no additional goodwill or franchise rights were recognized except for the impact of the acquisition of certain assets of Metrocast CT (Note 3).

Finite-lived intangible assets as of August 31, 2015 and 2014 consist of the following:

2015	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Intangible Asset
Subscriber relationships	[redacted]	[redacted]	[redacted]	[redacted]

2014	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Intangible Asset
Subscriber relationships	[redacted]	[redacted]	[redacted]	[redacted]

Amortization expense for the fiscal years ended August 31, 2015 and 2014 was [redacted] and [redacted] respectively. Future amortization expense on intangible assets with a definite life as of August 31, 2015, is as follows:

	Amortization Expense
Period from September 1, 2015 through August 31, 2016	[redacted]
Period from September 1, 2016 through August 31, 2017	[redacted]
Period from September 1, 2017 through August 31, 2018	[redacted]
Period from September 1, 2018 through August 31, 2019	[redacted]
Period from September 1, 2019 through August 31, 2020	[redacted]
Thereafter	[redacted]

6. ACCRUED EXPENSES

Accrued expenses as of August 31, 2015 and 2014 consist of the following:

	2015	2014
Franchise, copyright, and revenue sharing fees	[redacted]	$ [redacted]
Payroll, related taxes, and other employee benefits	[redacted]	[redacted]
Accrued other taxes	[redacted]	[redacted]
Other accrued expenses	[redacted]	[redacted]
Total accrued expenses	[redacted]	[redacted]

7. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations balance o[redacted]and[redacted] recorded within other long-term liabilities in the consolidated balance sheets as of August 31, 2015 and 2014, respectively. The changes in the carrying value of the Company's asset retirement obligations from September 1, 2013, to August 31, 2015, are as follows:

Beginning balance as of September 1, 2013	[redacted]
Additions	
Revisions in estimated timing and cash flows, net of settlements	[redacted]
Balance as of August 31, 2014	[redacted]
Additions	[redacted]
Revisions in estimated timing and cash flows, net of settlements	[redacted]
Balance as of August 31, 2015	[redacted]

As of August 31, 2015 and 2014, the estimated undiscounted future cash outlay for asset retirement obligations was approximately [redacted] and [redacted] respectively.

8. DEBT

Senior Credit Facility—On November 30, 2012, Acquisitions II LP entered into a [redacted] senior secured credit facility (the "Senior Credit Facility") composed of a [redacted] revolving credit facility (the "Revolver Facility"), [redacted] term loan A facility ("Term Loan A"), and a [redacted] term loan B facility ("Term Loan B"), with a group of banks and institutional lenders. Atlantic Broadband (Penn) Holdings, Inc. is also a co-borrower under the Revolver Facility. The Senior Credit Facility is governed by a credit agreement dated November 30, 2012. The proceeds of the Senior Credit Facility were disbursed solely to Acquisitions II LP under the express condition that they were used to help fund the stock purchase of the AB Holding Companies through a subordinate affiliate loan agreement by and between Acquisitions II LP's wholly owned subsidiary, Acquisitions Cogeco Cable Luxembourg II S.a.r.l., and the Company.

On May 28, 2013, the Senior Credit Facility was amended to reduce the Term Loan A commitment by [redacted] with a corresponding increase in the Revolver Facility. In addition, the interest rate on the Term Loan A, Term Loan B, and Revolver Facility borrowings were reduced.

On June 30, 2014, the Senior Credit Facility was amended to reduce the Term Loan A commitment by [redacted] with a corresponding increase in the Revolver Facility, as well as increasing the Revolver Facility by an additional [redacted].

On July 17, 2015, the Senior Credit Facility was amended to allow for the issuance of a new [redacted] term loan A facility ("Term Loan A-2") under substantially the same terms as the existing Term Loan A. The proceeds of this new loan were used in the funding of the Metrocast of CT asset acquisition.

The Senior Credit Facility contains certain restrictive financial covenants that, among other things, require the Company to maintain certain interest coverage and leverage ratios and places certain limitations on additional debt and investments. The Senior Credit Facility contains conditions precedent to borrowing, events of default, and covenants customary for facilities of this nature. The Senior Credit Facility is indirectly secured by a first-priority fixed and floating charge on substantially all present and future real and personal property and undertaking of every nature and kind of Acquisitions II LP and its subsidiaries, as well as those of the Company.

At August 31, 2015, there was [redacted] outstanding under the Term Loan A [redacted] outstanding under Term Loan A-2 [redacted] outstanding under the Term Loan B, and [redacted] under the Revolver Facility. Term Loan A has quarterly principal payments of [redacted] from December 31, 2013, through September 30, 2014; [redacted] quarterly from December 31, 2014, through September 30, 2015; and [redacted] quarterly thereafter, with the balance due at maturity. Term Loan A-2 has quarterly principal payments of [redacted] from September 30, 2016, through June 30, 2017 [redacted] quarterly from September 30, 2017, through June 30, 2018; and [redacted] quarterly thereafter, with the balance due at maturity. Interest on Term Loan A and Term Loan A-2 borrowings and LIBOR-based borrowings under the Revolver Facility is at a LIBOR margin of [redacted] above LIBOR as of August 31, 2015. The LIBOR margin on Term Loan A and Revolver Facility borrowings decreases as the Company's leverage levels decrease. Term Loan B has quarterly principal payments of [redacted], commencing December 31, 2012, with the balance due at maturity. Term Loan B borrowing bear interest at a LIBOR margin of 2.5% and a "LIBOR floor" of 0.75%. The weighted-average interest rate for the fiscal year ended August 31, 2015, under the Senior Credit Facility was 3.01%.

As of August 31, 2015, there was[redacted] of unused commitments under the Revolver Facility and 1,740 of unfunded standby letters of credits, resulting in availability o[redacted] under the Revolver Facility. The borrowers have access to the available funds under the Revolver Facility as long as compliance with the financial covenants under the Senior Credit Facility is maintained. In order to maintain the Revolver Facility, the Parent Company is obligated to pay certain commitment fees at nominal interest rates on the unused portions of the loans.

The obligations due under the Senior Credit Facility have not been recorded in the consolidated balance sheet of the Company as it was not the recipient of the proceeds of the borrowing. As co-guarantor, the Company could be obligated to pay the amounts outstanding under the Senior Credit Facility if defaulted upon by the co-borrowers, Acquisitions II LP and Atlantic Broadband (Penn) Holdings, Inc. The Term Loan A and Revolver Facility will mature on November 30, 2017, the Term Loan A-2 will mature on August 31, 2019, and the Term Loan B will mature on November 30, 2019. The fixed amortization schedule under the Senior Credit Facility through maturity is as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
	[redacted]

In addition to the fixed amortization schedule and commencing in the first quarter of the fiscal year ending August 31, 2016, loans under the term loan facilities shall be prepaid according to a prepayment percentage of excess cash flow generated during the prior fiscal year defined as follows:

(i) 50% if the consolidated first lien leverage ratio is greater than or equal to 4.00 to 1.00;

(ii) 25% if the consolidated first lien leverage ratio is greater than or equal to 3.00 to 1.00 but less than 4.00 to 1.00; and

(iii) 0% if the consolidated first lien leverage ratio is less than or equal to 3.00 to 1.00.

Each of the excess cash flow and leverage ratio are determined on a consolidated basis for the Company.

Affiliate Loan Due to Acquisitions Cogeco Cable Luxembourg II S.a.r.l.—On November 30, 2012, the Company entered into a[redacted]erm loan agreement with Acquisitions Cogeco Cable Luxembourg II S.a.r.l. ("Luxco II"), an affiliate entity indirectly owned by Cogeco Cable (the "Luxco II Term Loan"). The proceeds of the Luxco II Term Loan were used to fund the stock purchase of the AB Holding Companies.

During fiscal 2015, Luxco II transferred this debt to an affiliated entity, Acquisitions Cogeco Cable Luxembourg IIa S.a.r.l. ("Luxco 2a") under substantially the same terms and conditions as the original Luxco II Term Loan. This loan was subsequently increased by[redacted]ith the proceeds used to fund the acquisition of the Metrocast of CT assets (the "Luxco 2a Term Loan").

The Luxco 2a Term Loan bears interest [redacted] spread, plus the cost of funds rate, as defined in the term loan agreement as being the applicable rate of interest for each of the Term Loan A, Term Loan A-2, Term Loan B, and Revolver Facility borrowings under the Senior Credit Facility as discussed above. As of August 31, 2015, the balance outstanding under the Luxco 2a Term Loan was [redacted]. Interest is payable quarterly and principal repayments are due as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
	[redacted]

The Luxco 2a Term Loan contains financial covenants that are also aligned to be consistent with those of the Senior Credit Facility described above. Under the terms of the affiliate loan, all rights of the affiliate lender, Luxco 2a, are expressly subordinated and postponed to the prior payment, observance, or performance in full under the Senior Credit Facility.

Affiliate Loan Due to Acquisitions Cogeco Cable Luxembourg, S.a.r.l.—On November 30, 2012, the Company entered into [redacted] term loan agreement with Acquisitions Cogeco Cable Luxembourg, S.a.r.l. ("Luxco I"), an affiliate entity indirectly owned by Cogeco Cable (the "Luxco I Term Loan"). The proceeds of the Luxco I Term Loan were used to fund the stock purchase of the AB Holding Companies.

The Luxco I Term Loan has an interest rate of [redacted] payable quarterly. As of August 31, 2015 and 2014, the balance outstanding under the Luxco I Term Loan was [redacted] which is due upon maturity on May 31, 2020. Under the terms of the affiliate loan, all rights of the affiliate lender, Luxco I, are expressly subordinated and postponed to the prior payment, observance, or performance in full under the Senior Credit Facility, as discussed above. To the extent that the Company does not maintain certain financial ratio levels under the Senior Credit Facility, interest payments under the Luxco I Term Loan are deferred until such time as those levels are achieved.

The Luxco I Term Loan contains certain restrictive covenants, including a limit on the incurrence of additional debt.

9. STOCKHOLDERS' EQUITY

Common Stock—The Company has authorized for issuance 5,000 shares of common stock, $0.01 par value. During the fiscal year ended August 31, 2013, the Company issued 1,000 shares of common stock to Cogeco Cable Canada Inc. and Acquisitions II LP, affiliate entities that are wholly owned subsidiaries of the Parent Company. During the fiscal year ended August 31, 2013, the Company received cash proceeds of [redacted] in exchange for the issuance of the common stock to these affiliate entities.

10. RELATED-PARTY TRANSACTIONS

During the fiscal years ended August 31, 2015 and 2014, the Company has entered into the following related-party transactions in the ordinary course of business:

Financing from Affiliate Entities—The Company has received equity and debt financing from affiliate entities that are under common control by Cogeco Cable Inc. Refer to Note 8—Debt and Note 9—Stockholders' Equity for further details.

Vendor Procurement from National Cable Television Cooperative—The Company utilizes the services of the National Cable Television Cooperative (the "NCTC"). The NCTC is a not-for-profit cooperative formed to provide member cable multisystem operators access to increased buying power related to programming and equipment purchases. The NCTC negotiates contractual pricing directly with network video content providers and equipment manufacturers and makes that standard pricing available to all of its cooperative members to the extent those members elect to participate in the underlying contractual agreements.

The Company's vice president of industry relations is also the current acting chairman of the board of the NCTC. During the fiscal years ended August 31, 2015 and 2014, the Company acquired $1,894 and [redacted], respectively, in equipment through the NCTC, and paid [redacted] and [redacted] in programming payments, respectively, to the NCTC.

Parent Company Charges from Cogeco Cable—As an incentive to members of management of the Company, Cogeco Cable has extended its incentive share unit plan and stock option plan to certain members of the Company's senior management.

Under the Cogeco Cable Incentive Share Unit Plan (the "ISU Plan"), senior executives periodically receive a given number of incentive share units which entitle the participants to receive subordinate voting shares of Cogeco Cable after three years, less one day from the date of grant of the ISUs. For the fiscal years ended August 31, 2015 and 2014, the Company has recorded selling, general, and administration expense [redacted] and [redacted], respectively, related to Parent Company charges received from Cogeco Cable for costs incurred to the ISU Plan.

Under the Cogeco Cable stock option plan, the minimum exercise price at which options are granted is equal to the market value of such shares as determined by the closing price on the trading day preceding the option grant date established by the award's approval by the board of directors of Cogeco Cable. Options vest equally over five years beginning one year after the day such options are granted and are exercisable over 10 years. For the fiscal years ended August 31, 2015 and 2014, the Company recorded [redacted] and [redacted], respectively, in selling, general, and administration expense related to the Parent Company charges for the Cogeco Cable stock option plan.

In October 2014, Cogeco Cable introduced a PSU Plan for executive officers. The objectives of the PSU Plan are to retain executive officers, to align their interests with those of the shareholders and to sustain positive corporate performance, as measured by the economic value creation formula. The number of Performance Share Units (PSUs) is based on the dollar value of the award and the average closing stock price of Cogeco Cable for the previous 12-month period ending August 31. The PSUs vest over a three-year, less one-day period, based on the level of increase in the economic value of the Cogeco Cable, a performance measure used by management, or the relevant subsidiary or controlled entity for the preceding three-year period ending August 31, meaning that no vesting will occur if there is no increase in the economic value. The participants are entitled to receive dividend equivalents in the form of additional PSUs but only with respect to vested PSUs. PSUs are redeemable in case of death, normal retirement, or termination of employment not for cause, in which cases, the holder of PSUs is entitled to payment of the PSUs in proportion of time of employment between the date of the grant and the date of termination bears to the three-year vesting period. A trust was created for the purpose of purchasing these shares on the stock market in order to protect against stock price fluctuation and Cogeco Cable instructed the trustee to purchase subordinate voting shares of the Cogeco Cable on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trust, considered as a special purpose entity, is consolidated in the Cogeco Cable's financial statements with the value of the acquired shares presented as subordinate voting shares held in trust under the PSU Plan in reduction of share capital. For the fiscal years ended August 31, 2015, the Company recorded $212 in selling, general, and administration expense related to the Parent Company charges for the Cogeco Cable PSU stock option plan.

Under the Cogeco Cable Employee Stock Purchase Plan (the "ESPP Plan"), all employees of the Company are given the opportunity to contribute up to a maximum of 7% of their base annual salary to purchase shares of Cogeco Cable. The Company will match 25% of any such employee contribution to the ESPP Plan. The ESPP Plan was offered to employees of the Company beginning in June 2014. For the fiscal year ended August 31, 2015 and 2014, the Company recorded [redacted] and [redacted], respectively, in selling, general, and administrative expense related to the Parent Company charges for the ESPP Plan.

11. INCOME TAXES

All income before taxes relate to domestic earnings. The components of income tax expense for the fiscal years ended August 31, 2015 and 2014 are as follows:

	2015	2014
Current:		
Federal	$ [redacted]	$ -
State	[redacted]	[redacted]
Total current provision	[redacted]	[redacted]
Deferred:		
Federal	[redacted]	[redacted]
State	[redacted]	[redacted]
Total deferred provision	[redacted]	[redacted]
Total provision for income taxes	[redacted]	[redacted]

The reconciliation from the tax computed at the United States federal income tax rate to the Company's effective tax rate for the fiscal years ended August 31, 2015 and 2014, is as follows:

	2015	2014
United States federal income tax rate	35.0 %	35.0 %
State taxes, net of federal benefit	2.8	5.6
Other	0.5	0.3
Return to provision adjustments	0.8	(9.3)
Total	39.1 %	31.6 %

The significant components of deferred tax assets and liabilities as of August 31, 2015 and 2014 are as follows:

	2015	2014
Deferred tax assets—net operating losses and tax credit carryforwards	[redacted]	$ [redacted]
Deferred tax liabilities—investment in partnership	[redacted]	[redacted]
Valuation allowance	[redacted]	[redacted]
Total	[redacted]	[redacted]

On September 13, 2013, the U.S. Treasury department released final income tax regulations on the deduction and capitalization of expenditures related to tangible property. These final regulations apply to tax years beginning on or after January 1, 2014. Several of the provisions within the regulations required a tax accounting method change to be filed with the IRS. The Company recorded estimated additional tax depreciation of approximately [redacted] as of August 31, 2014, based on a preliminary assessment. The Company completed the study associated with the adoption of this regulation in 2015 and recorded additional depreciation expense for tax purposes of approximately [redacted] as of August 31, 2015.

The Company's deferred tax assets primarily result from federal and state net operating loss carryforwards (NOLs) acquired from the AB Holding Companies. Deferred tax liabilities include temporary differences arising from the basis of the Company's investment in partnerships that own the operating entities.

As of August 31, 2015 and 2014, the Company has gross federal NOLs of [redacted] and [redacted] respectively, and gross state NOLs of [redacted] and [redacted] respectively, that are expected to expire at various dates beginning in 2025 and through 2035. As of August 31, 2015, the Company has alternative minimum tax credit carryforwards of [redacted] that have no expiration date.

Under Section 382 of the Internal Revenue Code of 1986, as amended, substantial changes in the Company's ownership may limit the amount of NOLs that could be utilized annually in the future to offset its taxable income. Specifically, this limitation may arise in the event of a cumulative change in ownership of the Company of more than 50% within a three-year period. The Company performed an analysis as of November 30, 2012, and determined that it had experienced an ownership change for purposes of Section 382. As a result of the ownership change, use of a portion of the Company's NOLs may be limited in future periods. Furthermore, a portion of the NOLs may expire before being applied to reduce future income tax liabilities. The Company assessed the positive and negative evidence bearing upon the realizability of its deferred tax assets at each of November 30, 2012, the date of acquisition of the AB Holding Companies, as well as August 31, 2014 and 2015, including the forecasted sources of taxable income and the estimated limitations imposed by Section 382. Based on an assessment of this evidence, the Company has recorded a valuation allowance to reduce the gross deferred tax asset to the amount that it is more likely than not to be realized. The valuation allowance was initially established in the purchase price allocation as of November 30, 2012. The Company and its subsidiaries file income tax returns in the United States federal jurisdiction and various state jurisdictions. As of August 31, 2015 and 2014, the Company's historical income tax returns were not subject to examination by any taxing authority, however, the statute of limitation remains open for all jurisdictions.

12. EMPLOYEE BENEFITS

401(k) Savings Plan—The Company is the sponsor of a defined contribution savings plan for its employees under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. As plan sponsor, the Company may make contributions to the 401(k) Plan at the discretion of the board of directors. For the fiscal year ended August 31, 2015 and 2014, the Company recorded [redacted] and [redacted] respectively, of expense related to the 401(k) Plan.

13. COMMITMENTS AND CONTINGENCIES

Litigation—The Company is subject to various routine legal proceedings and claims incidental to its business, which management believes will not have a material effect on the Company's financial position, results of operations, or cash flows.

Operating Leases—The Company leases office and warehouse space, as well as equipment under both cancelable and noncancelable operating leases. Rental expense under operating lease agreements for the fiscal years ended August 31, 2015 and 2014 was $991 and $862, respectively.

Future minimum lease payments under noncancelable leases as of August 31, 2015, are as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
Thereafter	[redacted]
Total minimum lease payments	[redacted]

Collective Bargaining Agreements—As of August 31, 2015, approximately 24% of our employees were represented by several unions under collective bargaining agreements. None of the collective agreements have expired or will be expiring in the near future.

Marketing and Distribution Agreement—In May 2013, the Company signed a marketing and distribution agreement ("M&D Agreement") with a set-top box vendor, which provides for the Company's exclusive promotion, marketing, and distribution of customer premise equipment and related Web and mobile applications, and services to subscribers of the Company's services.

The term of the M&D Agreement is five years with renewal options for extension of up to two years. Over the combined seven-year term, the Company is committed to minimum license fees up to an aggregate of $11,562. The M&D Agreement can be terminated by either party for certain events, including an uncured breach or the commencement of the counterparty's bankruptcy or insolvency proceeding, dissolution, liquidation, or winding down of its affairs. In the event the M&D Agreement is terminated for the Company's breach, the Company would be obligated to pay within 30 days, a one-time lump-sum fee of $2,500, less the amount of license fees paid by the Company through the date of termination.

The M&D Agreement also contains a revenue share provision, whereby the Company is entitled to 20% of net revenue generated from applications that (a) pay a revenue share to the vendor and (b) are made available to the Company's subscribers. No amount of revenue share has been earned in the fiscal years ended August 31, 2015 and 2014.

Master Service Agreements—The Company has signed master service agreements with four third-party vendors governing the licensing of dark fiber cables for a 20-year term. The agreements required an up-front payment at the commencement date, with the remaining to be paid at completion of the installation. Total nonrecurring obligations equa[redacted], with [redacted]having been paid to date. Once placed in service, the cables will be capitalized and amortized over the 20-year term of the leases. Additional monthly maintenance fees will be expensed to the consolidated statement of operations as incurred.

* * * * * *

Exhibit B

Financial Statements

(Submitted under confidential cover).
The Applicant is providing consolidated financial statements for Acquisitions Cogeco Cable II, Inc., its ultimate holding company. These financial statements include the operations of the Applicant and its affiliates. Financial statements are not maintained at the individual entity level.

Acquisitions Cogeco Cable II Inc.

Consolidated Financial Statements as of and for the Fiscal Years Ended August 31, 2015 and 2014, and Independent Auditors' Report

ACQUISITIONS COGECO CABLE II INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Acquisitions Cogeco Cable II Inc.
Quincy, Massachusetts

We have audited the accompanying consolidated financial statements of Acquisitions Cogeco Cable II Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of August 31, 2015 and 2014, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditors' 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 Company'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 Company'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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acquisitions Cogeco Cable II Inc. and its subsidiaries as of August 31, 2015 and 2014, and the results of their operations and their cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche L.L.P

November 25, 2015

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED BALANCE SHEETS
AS OF AUGUST 31, 2015 AND 2014
(In thousands, except share data)

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash	$ [redacted]	$ [redacted]
Accounts receivable—net of allowance for doubtful accounts of $404 and $352 for 2015 and 2014, respectively	[redacted]	[redacted]
Prepaid expenses and other current assets	[redacted]	[redacted]
Total current assets	[redacted]	[redacted]
PLANT, PROPERTY, AND EQUIPMENT—Net	[redacted]	[redacted]
FRANCHISE RIGHTS	[redacted]	[redacted]
GOODWILL	[redacted]	[redacted]
OTHER INTANGIBLE ASSETS—Net	[redacted]	[redacted]
TOTAL	[redacted]	[redacted]
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of notes payable to affiliates	$ [redacted]	$ [redacted]
Accrued interest	[redacted]	[redacted]
Accounts payable	[redacted]	[redacted]
Accrued expenses	[redacted]	[redacted]
Unearned service revenue	[redacted]	[redacted]
Total current liabilities	[redacted]	[redacted]
NOTES PAYABLE TO AFFILIATES—Net of current portion	[redacted]	[redacted]
DEFERRED TAX LIABILITY	[redacted]	[redacted]
OTHER LONG-TERM LIABILITIES	[redacted]	[redacted]
Total liabilities	[redacted]	[redacted]
COMMITMENTS AND CONTINGENCIES (Note 13)		
STOCKHOLDERS' EQUITY:		
Common stock—$0.01 par value, 5,000 shares authorized, and 1,000 shares issued and outstanding	[redacted]	[redacted]
Additional paid-in capital	[redacted]	[redacted]
Retained earnings	[redacted]	[redacted]
Total stockholders' equity	[redacted]	[redacted]
TOTAL	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands)

	2015	2014
REVENUE	[redacted]	[redacted]
OPERATING EXPENSES:		
Direct operating expenses (excluding depreciation and amortization shown separately below)	[redacted]	[redacted]
Selling, general, and administrative expenses (excluding depreciation and amortization shown separately below)	[redacted]	[redacted]
Depreciation and amortization	[redacted]	[redacted]
Loss on disposal of plant, property, and equipment	[redacted]	[redacted]
Total operating expenses	[redacted]	[redacted]
INCOME FROM OPERATIONS	[redacted]	[redacted]
INTEREST EXPENSE	[redacted]	[redacted]
INCOME BEFORE INCOME TAXES	[redacted]	[redacted]
PROVISION FOR INCOME TAXES	[redacted]	[redacted]
NET INCOME	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands, except share data)

	Common Stock $0.01 Par Value		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
BALANCE—September 1, 2013	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Net income				[redacted]	[redacted]
BALANCE—August 31, 2014	1,000	1	[redacted]	[redacted]	[redacted]
Net income				[redacted]	[redacted]
BALANCE—August 31, 2015	1,000	$ 1	[redacted]	[redacted]	[redacted]

See notes to consolidated financial statements.

ACQUISITIONS COGECO CABLE II INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(In thousands)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ [redacted]	$ [redacted]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	[redacted]	[redacted]
Provision for doubtful accounts		
Provision for deferred income taxes		
Loss on disposal of plant, property, and equipment		
Changes in operating assets and liabilities:		
Accounts receivable	[redacted]	[redacted]
Prepaid expenses and other current assets		
Accounts payable, accrued expenses, other long-term liabilities, and accrued interest	[redacted]	[redacted]
Unearned service revenue		
Net cash from operating activities	[redacted]	[redacted]
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition—net of cash acquired	[redacted]	
Purchases of plant, property, and equipment		[redacted]
Proceeds from sale of plant, property, and equipment	[redacted]	
Net cash used in investing activities	[redacted]	[redacted]
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt to affiliates	[redacted]	
Repayments of note payable to affiliates		[redacted]
Net cash from financing activities	[redacted]	[redacted]
NET CHANGE IN CASH	[redacted]	[redacted]
CASH:		
Beginning of year	[redacted]	[redacted]
End of year	$ [redacted]	$ [redacted]
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ [redacted]	[redacted]
Cash paid for income taxes	[redacted]	[redacted]
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITY—Year-end balance in accounts payable and accrued expenses for plant, property, and equipment	[redacted]	[redacted]

See notes to consolidated financial statements.

1. DESCRIPTION OF BUSINESS

Acquisitions Cogeco Cable II Inc. (the "Company") was formed in the state of Delaware on July 25, 2012. The Company is an indirect wholly owned subsidiary of Cogeco Cable Inc. ("Cogeco Cable" or the "Parent Company") and Acquisitions Cogeco Cable II LP ("Acquisitions II LP").

On July 18, 2012, Cogeco Cable entered into an agreement (the "Acquisition Agreement") to acquire all of the outstanding stock of Atlantic Broadband (Management) Holdings, Inc., Atlantic Broadband (Penn) Holdings, Inc., Atlantic Broadband (Miami) Holdings, Inc., Atlantic Broadband (Delmar) Holdings, Inc., and Atlantic Broadband (SC) Holdings, Inc. (collectively, "AB Holding Companies").

On November 30, 2012, Cogeco Cable assigned its rights under the Acquisition Agreement to the Company. The Company obtained equity and debt financing from entities affiliated with Cogeco Cable for purposes of financing the acquisition of the AB Holding Companies, which was consummated on November 30, 2012. In conjunction with the acquisition, the AB Holding Companies were reorganized whereby each of Atlantic Broadband (Miami) Holdings, Inc., Atlantic Broadband (Delmar) Holdings, Inc., and Atlantic Broadband (SC) Holdings, Inc. were merged into Atlantic Broadband (Penn) Holdings, Inc., such that the surviving entities comprising the AB Holding Companies were Atlantic Broadband (Management) Holdings, Inc. and Atlantic Broadband (Penn) Holdings, Inc.

On August 20, 2015, the Company acquired substantially all of the assets of Metrocast Communications of Connecticut, LLC ("Metrocast of CT"). The acquisition of Metrocast of CT allows the Company to offer services in certain regions of the state of Connecticut.

The Company offers its customers traditional cable video programming, as well as high-speed data and telephony services and other advanced video-related broadband services, such as high-definition television. The Company sells video programming, high-speed data, telephony, and advanced broadband cable services on a subscription basis over its regional distribution systems in Western Pennsylvania, South Florida, Maryland/Delaware, South Carolina, and Connecticut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements presented herein include the consolidated accounts of Acquisitions Cogeco Cable II Inc. and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

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 assumptions and estimates that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. Management evaluates estimates on an ongoing basis, including those related to the useful lives of plant, property, and equipment and finite-lived intangible assets, as well as the recoverability of the carrying values of goodwill, intangible assets, and fixed assets (which include capitalized labor and overhead costs), and commitments and contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the then-current circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The intent is to accurately state assets and liabilities given the facts known at the time. These assumptions may prove incorrect as facts change in the future and therefore actual results may differ materially from those estimates under different assumptions or conditions.

Accounts Receivable and Allowance for Doubtful Accounts—The Company carries its accounts receivable at their face amounts, less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts through the provision of bad debt expense, based on historical trends and analysis. The Company's policy to reserve against potential bad debts is based on the aging of the individual receivables. The Company manages credit risk by disconnecting services to customers who are delinquent. The practice to write off the individual receivables is performed after all resources to collect the funds have been exhausted. Actual bad debt expense may differ from the amounts reserved.

Fair Value of Financial Instruments—The Company defines fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 utilizes quoted market prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and notes payable to affiliate. Due to the short-term nature of these instruments, with the exception of notes payable to affiliates, their estimated fair value approximates carrying value. Note payables to affiliates are recorded at par.

There are no material financial assets or liabilities as of August 31, 2015 and 2014 that required measurement at fair value on a recurring basis.

Plant, Property, and Equipment—Plant, property, and equipment are recorded at cost. Initial customer installation costs are capitalized. Sales and marketing costs, as well as costs of subsequent disconnection and reconnection of a given household, are charged to expense. Capitalized costs include materials, labor, and certain other direct costs attributable to the capitalization activity. Maintenance and repairs are charged to expense when incurred. Upon sale or retirement, the cost and related depreciation are removed from the related accounts and resulting gains or losses are reflected in operating results.

Plant and equipment are depreciated over the estimated useful life upon being placed into service. Depreciation of plant and equipment is provided on a straight-line basis over the following estimated useful lives:

Asset Category	Estimated Useful Life (Years)
Office equipment and other	3–10
Subscriber equipment	4
Vehicles	5
Headend equipment	5–15
Distribution facilities	5–20
Building and leasehold improvements	The shorter of 10–40 or the remaining lease term

Capitalization of Labor and Overhead Costs—The cable industry is capital intensive, and a large portion of our resources are spent on capital activities associated with extending, building, and upgrading the cable network. Costs associated with network construction, initial customer installations, installation refurbishments, and the addition of network equipment necessary to enable advanced services are capitalized when such costs are anticipated to provide future economic benefits. Costs capitalized as part of initial customer installations include materials, direct labor costs associated with capital projects, and certain indirect costs. The Company capitalizes direct labor costs associated with personnel based upon the specific time devoted to construction and customer installation activities. Indirect costs are associated with the activities of personnel who assist in connecting and activating the new service and consist of compensation and overhead costs associated with these support functions. The costs of disconnecting service at a customer's dwelling or reconnecting service to a previously installed dwelling are charged to operating expense in the period incurred. Costs for repairs and maintenance are charged to operating expense as incurred, while equipment replacement and betterments, including replacement of cable drops from the pole to dwelling, are capitalized.

The Company amortizes the capitalized labor and overhead costs over the life of the related equipment, which ranges from 5 to 10 years. The vast majority of these capitalized costs relate to customer installation activity and related equipment additions.

Judgment is required to determine the extent to which indirect costs, or overhead, are incurred as a result of specific capital activities and, therefore, should be capitalized. The Company capitalizes overhead based upon an allocation of the portion of indirect costs that contribute to capitalizable activities using an overhead rate applied to the amount of direct labor capitalized. The Company has established overhead rates based on an analysis of the nature of costs incurred in support of capitalizable activities and a determination of the portion of costs, which are directly attributable to capitalizable activities. The primary costs that are included in the determination of overhead rates are (i) employee benefits and payroll taxes associated with capitalized direct labor; (ii) direct variable costs associated with capitalizable activities, consisting primarily of installation and construction vehicle costs; (iii) the cost of support personnel, such as dispatch that directly assist with capitalizable installation activities; and (iv) other costs directly attributable to capitalizable activities.

Goodwill and Intangible Assets—Intangible assets consist primarily of acquired franchise rights and subscriber relationships. Franchise rights represent the value attributable to agreements with local franchising authorities, which allow access to homes in the public right of way acquired through a business combination. Subscriber relationships represent the value to the Company of the benefit of acquiring the existing cable television subscriber base. The Company considers franchise rights to have an indefinite life. The Company reached its conclusion regarding the indefinite useful life of its franchise rights principally because (i) there are no legal, regulatory, contractual, competitive, economic, or other factors limiting the period over which these rights will continue to contribute to the Company's cash flows; (ii) as an incumbent franchisee, the Company's renewal applications are granted by the local franchising authority on their own merits and not as part of a comparative process with competing applications; and (iii) under the 1984 Cable Act, a local franchising authority may not unreasonably withhold the renewal of a cable system franchise. The costs incurred in negotiating and renewing cable franchise agreements are expensed as incurred. The Company will reevaluate the expected life of its cable franchise rights at each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The subscriber relationships are being amortized over the estimated useful life of the subscriber base. The useful lives for the subscriber relationships is estimated to be approximately eight years and at the end of each reporting period, or earlier, if circumstances warrant, the Company reassesses the estimated useful life of the relationships.

Goodwill impairment is determined using a two-step process. The first step involves a comparison of the estimated fair value of each of the Company's five reporting units to their carrying amount, including goodwill. In performing the first step, the Company determines the fair value of a reporting unit using a combination of a discounted cash flow (DCF) analysis and a market-based approach. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, perpetual growth rates, the amount and timing of expected future cash flows, as well as relevant comparable company earnings multiples for the market-based approach. The cash flows employed in the DCF analyses are based on the Company's forecasted operating results, which include estimates of future growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the future cash flows of the respective reporting units. In addition, the market-based approach utilizes comparable company public trading values, research analyst estimates, and, where available, values observed in private market transactions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment test is not necessary. If the carrying amount of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with its carrying amount to measure the amount of impairment, if any. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. In other words, the estimated fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment is recognized in an amount equal to that excess.

The impairment test for franchise rights not subject to amortization involves a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the franchise rights exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of franchise rights are determined using a DCF valuation analysis. The DCF methodology used to value cable franchise rights entails identifying the projected discrete cash flows related to such cable franchise rights and discounting them back to the valuation date. Significant judgments inherent in this analysis include the selection of appropriate discount rates, estimation of the amount and timing of future cash flows attributable to cable franchise rights, and identification of appropriate terminal growth rate assumptions. The discount rates used in the DCF analyses are intended to reflect the risk inherent in the projected future cash flows generated by the respective franchise rights.

The Company tests for impairment of its goodwill and franchise rights annually or whenever events or changes in circumstances indicate that these assets might be impaired. An impairment assessment of goodwill and franchise rights could be triggered by a significant reduction in operating results or cash flows at one or more of the Company's reporting units, or a forecast of such reductions, a significant adverse change in the locations in which the Company's reporting units operate, or by adverse changes to ownership rules, among others. The Company completed its annual impairment evaluation on August 31, 2015, and did not identify any impairment.

Realizability of Long-Lived Assets—The carrying values of long-lived assets, which include construction material; plant, property, and equipment; and other intangible assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds its fair value. The carrying amount is not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the assets. Any impairment loss would be measured as the amount by which the carrying amount exceeded the fair value, most likely determined by future DCFs. There have been no impairments or trigger events during the fiscal years ended August 31, 2015 and 2014.

Deferred Credits—Deferred credits consist primarily of deferred launch incentives. The Company receives launch incentive payments from programmers. These incentive payments are deferred and recognized over the life of the related programming agreements as an offset to programming costs in direct expenses.

Asset Retirement Obligations—The fair value of asset retirement obligations associated with an entity's obligation to retire tangible long-lived assets is recognized in the period in which it is incurred and can be reasonably estimated. Such asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's estimated useful life. Fair value estimates of asset retirement obligations generally involve discounting of estimated future cash flows. Periodic accretion of such liabilities due to the passage of time is recorded as an operating expense. Adjustments are also made to the asset retirement obligation liability to reflect changes in the estimates of timing and amount of expected cash flows, with an offsetting adjustment made to the related tangible long-lived asset.

Certain of the Company's cable franchise agreements contain provisions requiring the removal of its plant infrastructure in the event that the franchise agreement is not renewed. The Company recognizes a liability for the removal of its plant infrastructure by discounting the estimated cost of removal over the estimated service period of 25 years. As of August 31, 2015 and 2014, the estimated asset retirement obligation was [redacted] and [redacted], respectively, which is recorded as a component of other long-term liabilities on the consolidated balance sheets.

Guarantees—As permitted under Delaware law, the Company indemnifies its officers, directors, and employees for certain events or occurrences that happen by reason of the relationship with or position held at the Company. In the normal course of business, the Company may indemnify other parties, including lenders, landlords, and other vendors, with respect to certain matters.

The Company leases office and warehouse space under both cancelable and noncancelable operating leases and is also party to a marketing and distribution agreement (see Note 13). The Company has standard indemnification arrangements under these agreements that require it to indemnify the counterparties against all costs, expenses, fines, suits, claims, demands, liabilities, and actions directly resulting from any breach, violation, or nonperformance of any covenant or condition of the agreements.

As of August 31, 2015 and 2014, the Company had not experienced any losses related to these indemnification obligations and no material claims were outstanding. The Company does not expect significant claims related to these indemnification obligations and, consequently, concluded that the fair value of these obligations is not material. Accordingly, no reserves have been established.

Revenue Recognition—Revenues are generally recognized when evidence of an arrangement exists, services are rendered, the selling price is determinable, and collectability is reasonably assured. Revenues from video, Internet access, and telephony services are recognized based upon monthly service fees or fees per event. In instances where customers are billed in advance of monthly services, the unearned service revenue is deferred until the services are delivered. Revenue for customer fees, equipment rental, advertising, and pay-per-view programming is recognized in the period that the services are delivered. Video and non-video installation revenue is recognized in the period the installation services are provided to the extent of direct selling costs. Direct selling costs have exceeded installation revenue for the period ended August 31, 2015, requiring no deferral of such revenue. Any programming incentive revenue received is deferred and recognized over the life of the underlying contract. Under the terms of the Company's nonexclusive franchise agreements, the Company is generally required to pay up to 5% of its gross revenues derived from providing cable service to the local franchise authority. The Company normally passes these fees through to its cable subscribers and records these fees in revenue with a corresponding amount included in direct expenses.

Video Programming Costs—Video programming costs are recorded as the services are provided based on the Company's contractual agreements with its programming vendors. These contracts are generally multiyear agreements that provide for the Company to make payments to the programming vendors at agreed-upon rates based on the number of subscribers to which the Company provides the programming service. The costs are recorded as a component of direct operating expenses in the consolidated statements of operations.

Marketing Costs—The cost of marketing, advertising, and selling is expensed as incurred and is included in selling, general, and administrative expenses in the consolidated statements of operations. Marketing, advertising, and selling expense for the fiscal years ended August 31, 2015 and 2014, was $18,293 and $15,245, respectively.

Income Taxes—The Company provides for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records deferred tax assets to the extent it believes these assets will more likely than not be realized. All available positive and negative evidence is reviewed in making a determination. The evidence includes future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial operations. The realization of the deferred income tax assets ultimately depends on the existence of sufficient taxable income in either the carryback or carryforward periods under tax law. If future events differ from the Company's current forecasts, a valuation allowance may need to be established.

The Company assesses its income tax positions and records tax benefits based upon management's evaluation of the facts, circumstances, and information available at the reporting date. For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company records the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit is recognized in the consolidated financial statements. It is the Company's policy to classify liabilities for uncertain tax positions as noncurrent liabilities unless the uncertainty is expected to be resolved within one year and to classify charges for interest and penalties on uncertain tax positions as income tax expense. As of August 31, 2015 and 2014, the Company has not identified any material uncertain tax positions requiring recognition of a liability.

Concentrations of Risk—Certain financial instruments potentially subject the Company to concentrations of credit risk. These financial instruments consist primarily of accounts receivables and cash. The Company places its cash with high-credit-quality financial institutions and limits the amount of credit exposure to any one financial institution. The Company periodically assesses the creditworthiness of the institutions with which it invests. The Company does, however, maintain invested balances in excess of federally insured limits. The Company periodically assesses the creditworthiness of its customers. Concentrations of credit risk are limited as no single customer accounts for a significant portion of the balance. Approximately [redacted] of the Company's labor force is party to collective bargaining agreements.

Business Combinations—The Company accounts for business combinations at fair value. All changes that do not qualify as measurement period adjustments are included in current-period earnings. Significant judgment is required to determine the estimated fair value for assets and liabilities acquired and to assigning their respective useful lives. The fair values assigned to tangible and intangible assets acquired and liabilities assumed, including contingent consideration, are based on management's estimates and assumptions, as well as other information compiled by management, including available historical information and valuations that utilize customary valuation procedures and techniques.

The Company generally employs the income method to estimate the fair value of intangible assets, which is based on forecasts of the expected future cash flows attributable to the respective assets. Significant estimates and assumptions inherent in the valuations reflect a consideration of other marketplace participants, and include the amount and timing of future cash flows (including expected growth rates and profitability), the anticipated subscriber churn rate, the selection of discount rates that are intended to reflect the risks that are inherent in the projected cash flows, the determination of terminal growth rates, and judgments about the useful life and pattern of use of the underlying intangible asset. The Company generally employs a combination of the market and cost approaches to estimate the fair value of acquired plant, property, and equipment. These valuation methods also require significant estimates and assumptions about current market values, replacement costs, the physical and functional obsolescence of the asset, and its remaining useful life. If the actual results differ from the assumptions and judgments used in these estimates, the amounts recorded in the consolidated financial statements could result in a possible impairment of the acquired plant, property, and equipment; intangible assets and/or goodwill; or require acceleration of the depreciation and/or amortization expense of long-lived assets.

Subsequent Events—Management has evaluated subsequent events occurring through November 25, 2015, the date that these consolidated financial statements were available to be issued, and determined that no subsequent events occurred that would require recognition or disclosure in these consolidated financial statements.

3. ACQUISITION

On August 20, 2015, the Company acquired substantially all of the assets of Metrocast Communications of Connecticut, LLC ("Metrocast of CT") for approximately [redacted] million in cash. The purchase was funded through the combination of additional debt financing and the use of the revolving credit facility. Metrocast of CT offers to its customers traditional cable video programming, as well as high-speed data, telephony services, and other advanced video-related broadband services, such as high-definition television.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of the acquisition.

Fair value of consideration paid—cash	[redacted]
Fair value of assets acquired and liabilities assumed:	
Accounts receivable	$ [redacted]
Prepaid expenses and other current assets	[redacted]
Plant, property, and equipment	[redacted]
Intangible assets—franchise rights	[redacted]
Intangible assets—subscriber relationships	[redacted]
Goodwill	[redacted]
Accounts payable and accrued expenses	[redacted]
Unearned service revenue	[redacted]
Total net assets acquired	[redacted]

Of the total purchase price, [redacted] was assigned to franchise rights which are not subject to amortization and $13,000 was assigned to subscriber relationships with an estimated useful life of eight years. The Company also recognized [redacted] of goodwill, which is primarily attributable to expected synergies to be achieved by continued expansion in the United States market. The goodwill created by the transaction is deductible for tax purposes.

As of August 31, 2015, the allocation of the purchase price for the Metrocast of CT acquisition is preliminary. The fair value of all of the acquired identifiable assets and liabilities are provisional pending finalization of the Company's acquisition accounting. The Company believes that such preliminary allocations provide a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but the Company is waiting for additional information necessary to finalize fair value.

The transaction has been accounted for as a business combination and is included in the Company's results of operations from August 20, 2015, the date of acquisition. The Company incurred transaction costs of [redacted] in connection with the acquisition. These costs have been recorded as selling, general, and administrative expenses within the consolidated statement of operations for the fiscal year ended August 31, 2015.

4. PLANT, PROPERTY, AND EQUIPMENT

Plant, property, and equipment as of August 31, 2015 and 2014, consist of the following:

	2015	2014
Distribution facilities	[redacted]	$[redacted]
Subscriber equipment	[redacted]	[redacted]
Headend equipment	[redacted]	[redacted]
Buildings and leasehold improvements	[redacted]	[redacted]
Office equipment and other	[redacted]	[redacted]
Vehicles and equipment	[redacted]	[redacted]
Land	[redacted]	[redacted]
Construction in progress	[redacted]	[redacted]
Material inventory	[redacted]	[redacted]
Total plant, property, and equipment	[redacted]	[redacted]
Less accumulated depreciation	[redacted]	[redacted]
Plant, property, and equipment—net	[redacted]	$[redacted]

Depreciation expense for the fiscal years ended August 31, 2015 and 2014 was [redacted] and [redacted], respectively.

5. GOODWILL AND INTANGIBLE ASSETS

The carrying values of goodwill and the indefinite-lived franchise rights as of August 31, 2015, were [redacted] and [redacted], respectively, and as of August 31, 2014, were [redacted] and [redacted], respectively. For the fiscal years ended August 31, 2015 and 2014, there were no historical impairments of these assets and no additional goodwill or franchise rights were recognized except for the impact of the acquisition of certain assets of Metrocast CT (Note 3).

Finite-lived intangible assets as of August 31, 2015 and 2014 consist of the following:

2015	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Intangible Asset
Subscriber relationships	[redacted]	[redacted]	[redacted]	[redacted]

2014	Weighted-Average Amortization Period	Cost	Accumulated Amortization	Net Intangible Asset
Subscriber relationships	[redacted]	[redacted]	[redacted]	[redacted]

Amortization expense for the fiscal years ended August 31, 2015 and 2014 was [redacted] and [redacted] respectively. Future amortization expense on intangible assets with a definite life as of August 31, 2015, is as follows:

	Amortization Expense
Period from September 1, 2015 through August 31, 2016	[redacted]
Period from September 1, 2016 through August 31, 2017	[redacted]
Period from September 1, 2017 through August 31, 2018	[redacted]
Period from September 1, 2018 through August 31, 2019	[redacted]
Period from September 1, 2019 through August 31, 2020	[redacted]
Thereafter	[redacted]

6. ACCRUED EXPENSES

Accrued expenses as of August 31, 2015 and 2014 consist of the following:

	2015	2014
Franchise, copyright, and revenue sharing fees	[redacted]	$ [redacted]
Payroll, related taxes, and other employee benefits	[redacted]	[redacted]
Accrued other taxes	[redacted]	[redacted]
Other accrued expenses	[redacted]	[redacted]
Total accrued expenses	[redacted]	[redacted]

7. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations balance o[redacted]and[redacted] recorded within other long-term liabilities in the consolidated balance sheets as of August 31, 2015 and 2014, respectively. The changes in the carrying value of the Company's asset retirement obligations from September 1, 2013, to August 31, 2015, are as follows:

Beginning balance as of September 1, 2013	[redacted]
Additions	
Revisions in estimated timing and cash flows, net of settlements	[redacted]
Balance as of August 31, 2014	[redacted]
Additions	[redacted]
Revisions in estimated timing and cash flows, net of settlements	[redacted]
Balance as of August 31, 2015	[redacted]

As of August 31, 2015 and 2014, the estimated undiscounted future cash outlay for asset retirement obligations was approximately [redacted]and [redacted]respectively.

8. DEBT

Senior Credit Facility—On November 30, 2012, Acquisitions II LP entered into a [redacted] senior secured credit facility (the "Senior Credit Facility") composed of a [redacted] revolving credit facility (the "Revolver Facility"), [redacted] term loan A facility ("Term Loan A"), and a [redacted] term loan B facility ("Term Loan B"), with a group of banks and institutional lenders. Atlantic Broadband (Penn) Holdings, Inc. is also a co-borrower under the Revolver Facility. The Senior Credit Facility is governed by a credit agreement dated November 30, 2012. The proceeds of the Senior Credit Facility were disbursed solely to Acquisitions II LP under the express condition that they were used to help fund the stock purchase of the AB Holding Companies through a subordinate affiliate loan agreement by and between Acquisitions II LP's wholly owned subsidiary, Acquisitions Cogeco Cable Luxembourg II S.a.r.l., and the Company.

On May 28, 2013, the Senior Credit Facility was amended to reduce the Term Loan A commitment by [redacted] with a corresponding increase in the Revolver Facility. In addition, the interest rate on the Term Loan A, Term Loan B, and Revolver Facility borrowings were reduced.

On June 30, 2014, the Senior Credit Facility was amended to reduce the Term Loan A commitment by [redacted] with a corresponding increase in the Revolver Facility, as well as increasing the Revolver Facility by an additional [redacted].

On July 17, 2015, the Senior Credit Facility was amended to allow for the issuance of a new [redacted] term loan A facility ("Term Loan A-2") under substantially the same terms as the existing Term Loan A. The proceeds of this new loan were used in the funding of the Metrocast of CT asset acquisition.

The Senior Credit Facility contains certain restrictive financial covenants that, among other things, require the Company to maintain certain interest coverage and leverage ratios and places certain limitations on additional debt and investments. The Senior Credit Facility contains conditions precedent to borrowing, events of default, and covenants customary for facilities of this nature. The Senior Credit Facility is indirectly secured by a first-priority fixed and floating charge on substantially all present and future real and personal property and undertaking of every nature and kind of Acquisitions II LP and its subsidiaries, as well as those of the Company.

At August 31, 2015, there was [redacted] outstanding under the Term Loan A, [redacted] outstanding under Term Loan A-2, [redacted] outstanding under the Term Loan B, and [redacted] under the Revolver Facility. Term Loan A has quarterly principal payments of [redacted] from December 31, 2013, through September 30, 2014; [redacted] quarterly from December 31, 2014, through September 30, 2015; and [redacted] quarterly thereafter, with the balance due at maturity. Term Loan A-2 has quarterly principal payments of [redacted] from September 30, 2016, through June 30, 2017; [redacted] quarterly from September 30, 2017, through June 30, 2018; and [redacted] quarterly thereafter, with the balance due at maturity. Interest on Term Loan A and Term Loan A-2 borrowings and LIBOR-based borrowings under the Revolver Facility is at a LIBOR margin of [redacted] above LIBOR as of August 31, 2015. The LIBOR margin on Term Loan A and Revolver Facility borrowings decreases as the Company's leverage levels decrease. Term Loan B has quarterly principal payments of [redacted], commencing December 31, 2012, with the balance due at maturity. Term Loan B borrowing bear interest at a LIBOR margin of 2.5% and a "LIBOR floor" of 0.75%. The weighted-average interest rate for the fiscal year ended August 31, 2015, under the Senior Credit Facility was 3.01%.

As of August 31, 2015, there was [redacted] of unused commitments under the Revolver Facility and 1,740 of unfunded standby letters of credits, resulting in availability o[redacted] under the Revolver Facility. The borrowers have access to the available funds under the Revolver Facility as long as compliance with the financial covenants under the Senior Credit Facility is maintained. In order to maintain the Revolver Facility, the Parent Company is obligated to pay certain commitment fees at nominal interest rates on the unused portions of the loans.

The obligations due under the Senior Credit Facility have not been recorded in the consolidated balance sheet of the Company as it was not the recipient of the proceeds of the borrowing. As co-guarantor, the Company could be obligated to pay the amounts outstanding under the Senior Credit Facility if defaulted upon by the co-borrowers, Acquisitions II LP and Atlantic Broadband (Penn) Holdings, Inc. The Term Loan A and Revolver Facility will mature on November 30, 2017, the Term Loan A-2 will mature on August 31, 2019, and the Term Loan B will mature on November 30, 2019. The fixed amortization schedule under the Senior Credit Facility through maturity is as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
	[redacted]

In addition to the fixed amortization schedule and commencing in the first quarter of the fiscal year ending August 31, 2016, loans under the term loan facilities shall be prepaid according to a prepayment percentage of excess cash flow generated during the prior fiscal year defined as follows:

(i) 50% if the consolidated first lien leverage ratio is greater than or equal to 4.00 to 1.00;

(ii) 25% if the consolidated first lien leverage ratio is greater than or equal to 3.00 to 1.00 but less than 4.00 to 1.00; and

(iii) 0% if the consolidated first lien leverage ratio is less than or equal to 3.00 to 1.00.

Each of the excess cash flow and leverage ratio are determined on a consolidated basis for the Company.

Affiliate Loan Due to Acquisitions Cogeco Cable Luxembourg II S.a.r.l.—On November 30, 2012, the Company entered into a[redacted]erm loan agreement with Acquisitions Cogeco Cable Luxembourg II S.a.r.l. ("Luxco II"), an affiliate entity indirectly owned by Cogeco Cable (the "Luxco II Term Loan"). The proceeds of the Luxco II Term Loan were used to fund the stock purchase of the AB Holding Companies.

During fiscal 2015, Luxco II transferred this debt to an affiliated entity, Acquisitions Cogeco Cable Luxembourg IIa S.a.r.l. ("Luxco 2a") under substantially the same terms and conditions as the original Luxco II Term Loan. This loan was subsequently increased by[redacted]ith the proceeds used to fund the acquisition of the Metrocast of CT assets (the "Luxco 2a Term Loan").

The Luxco 2a Term Loan bears interest [redacted] spread, plus the cost of funds rate, as defined in the term loan agreement as being the applicable rate of interest for each of the Term Loan A, Term Loan A-2, Term Loan B, and Revolver Facility borrowings under the Senior Credit Facility as discussed above. As of August 31, 2015, the balance outstanding under the Luxco 2a Term Loan was [redacted]. Interest is payable quarterly and principal repayments are due as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
	[redacted]

The Luxco 2a Term Loan contains financial covenants that are also aligned to be consistent with those of the Senior Credit Facility described above. Under the terms of the affiliate loan, all rights of the affiliate lender, Luxco 2a, are expressly subordinated and postponed to the prior payment, observance, or performance in full under the Senior Credit Facility.

Affiliate Loan Due to Acquisitions Cogeco Cable Luxembourg, S.a.r.l.—On November 30, 2012, the Company entered into [redacted] term loan agreement with Acquisitions Cogeco Cable Luxembourg, S.a.r.l. ("Luxco I"), an affiliate entity indirectly owned by Cogeco Cable (the "Luxco I Term Loan"). The proceeds of the Luxco I Term Loan were used to fund the stock purchase of the AB Holding Companies.

The Luxco I Term Loan has an interest rate of [redacted] payable quarterly. As of August 31, 2015 and 2014, the balance outstanding under the Luxco I Term Loan was [redacted] which is due upon maturity on May 31, 2020. Under the terms of the affiliate loan, all rights of the affiliate lender, Luxco I, are expressly subordinated and postponed to the prior payment, observance, or performance in full under the Senior Credit Facility, as discussed above. To the extent that the Company does not maintain certain financial ratio levels under the Senior Credit Facility, interest payments under the Luxco I Term Loan are deferred until such time as those levels are achieved.

The Luxco I Term Loan contains certain restrictive covenants, including a limit on the incurrence of additional debt.

9. STOCKHOLDERS' EQUITY

Common Stock—The Company has authorized for issuance 5,000 shares of common stock, $0.01 par value. During the fiscal year ended August 31, 2013, the Company issued 1,000 shares of common stock to Cogeco Cable Canada Inc. and Acquisitions II LP, affiliate entities that are wholly owned subsidiaries of the Parent Company. During the fiscal year ended August 31, 2013, the Company received cash proceeds of [redacted] in exchange for the issuance of the common stock to these affiliate entities.

10. RELATED-PARTY TRANSACTIONS

During the fiscal years ended August 31, 2015 and 2014, the Company has entered into the following related-party transactions in the ordinary course of business:

Financing from Affiliate Entities—The Company has received equity and debt financing from affiliate entities that are under common control by Cogeco Cable Inc. Refer to Note 8—Debt and Note 9—Stockholders' Equity for further details.

Vendor Procurement from National Cable Television Cooperative—The Company utilizes the services of the National Cable Television Cooperative (the "NCTC"). The NCTC is a not-for-profit cooperative formed to provide member cable multisystem operators access to increased buying power related to programming and equipment purchases. The NCTC negotiates contractual pricing directly with network video content providers and equipment manufacturers and makes that standard pricing available to all of its cooperative members to the extent those members elect to participate in the underlying contractual agreements.

The Company's vice president of industry relations is also the current acting chairman of the board of the NCTC. During the fiscal years ended August 31, 2015 and 2014, the Company acquired $1,894 and [redacted], respectively, in equipment through the NCTC, and paid [redacted] and [redacted] in programming payments, respectively, to the NCTC.

Parent Company Charges from Cogeco Cable—As an incentive to members of management of the Company, Cogeco Cable has extended its incentive share unit plan and stock option plan to certain members of the Company's senior management.

Under the Cogeco Cable Incentive Share Unit Plan (the "ISU Plan"), senior executives periodically receive a given number of incentive share units which entitle the participants to receive subordinate voting shares of Cogeco Cable after three years, less one day from the date of grant of the ISUs. For the fiscal years ended August 31, 2015 and 2014, the Company has recorded selling, general, and administration expense [redacted] and [redacted], respectively, related to Parent Company charges received from Cogeco Cable for costs incurred to the ISU Plan.

Under the Cogeco Cable stock option plan, the minimum exercise price at which options are granted is equal to the market value of such shares as determined by the closing price on the trading day preceding the option grant date established by the award's approval by the board of directors of Cogeco Cable. Options vest equally over five years beginning one year after the day such options are granted and are exercisable over 10 years. For the fiscal years ended August 31, 2015 and 2014, the Company recorded [redacted] and [redacted], respectively, in selling, general, and administration expense related to the Parent Company charges for the Cogeco Cable stock option plan.

In October 2014, Cogeco Cable introduced a PSU Plan for executive officers. The objectives of the PSU Plan are to retain executive officers, to align their interests with those of the shareholders and to sustain positive corporate performance, as measured by the economic value creation formula. The number of Performance Share Units (PSUs) is based on the dollar value of the award and the average closing stock price of Cogeco Cable for the previous 12-month period ending August 31. The PSUs vest over a three-year, less one-day period, based on the level of increase in the economic value of the Cogeco Cable, a performance measure used by management, or the relevant subsidiary or controlled entity for the preceding three-year period ending August 31, meaning that no vesting will occur if there is no increase in the economic value. The participants are entitled to receive dividend equivalents in the form of additional PSUs but only with respect to vested PSUs. PSUs are redeemable in case of death, normal retirement, or termination of employment not for cause, in which cases, the holder of PSUs is entitled to payment of the PSUs in proportion of time of employment between the date of the grant and the date of termination bears to the three-year vesting period. A trust was created for the purpose of purchasing these shares on the stock market in order to protect against stock price fluctuation and Cogeco Cable instructed the trustee to purchase subordinate voting shares of the Cogeco Cable on the stock market. These shares are purchased and are held in trust for the participants until they are fully vested. The trust, considered as a special purpose entity, is consolidated in the Cogeco Cable's financial statements with the value of the acquired shares presented as subordinate voting shares held in trust under the PSU Plan in reduction of share capital. For the fiscal years ended August 31, 2015, the Company recorded $212 in selling, general, and administration expense related to the Parent Company charges for the Cogeco Cable PSU stock option plan.

Under the Cogeco Cable Employee Stock Purchase Plan (the "ESPP Plan"), all employees of the Company are given the opportunity to contribute up to a maximum of 7% of their base annual salary to purchase shares of Cogeco Cable. The Company will match 25% of any such employee contribution to the ESPP Plan. The ESPP Plan was offered to employees of the Company beginning in June 2014. For the fiscal year ended August 31, 2015 and 2014, the Company recorde[redacted] an[redacted], respectively, in selling, general, and administrative expense related to the Parent Company charges for the ESPP Plan.

11. INCOME TAXES

All income before taxes relate to domestic earnings. The components of income tax expense for the fiscal years ended August 31, 2015 and 2014 are as follows:

	2015	2014
Current:		
Federal	$ [redacted]	$ -
State	[redacted]	[redacted]
Total current provision	[redacted]	[redacted]
Deferred:		
Federal	[redacted]	[redacted]
State	[redacted]	[redacted]
Total deferred provision	[redacted]	[redacted]
Total provision for income taxes	[redacted]	[redacted]

The reconciliation from the tax computed at the United States federal income tax rate to the Company's effective tax rate for the fiscal years ended August 31, 2015 and 2014, is as follows:

	2015	2014
United States federal income tax rate	35.0 %	35.0 %
State taxes, net of federal benefit	2.8	5.6
Other	0.5	0.3
Return to provision adjustments	0.8	(9.3)
Total	39.1 %	31.6 %

The significant components of deferred tax assets and liabilities as of August 31, 2015 and 2014 are as follows:

	2015	2014
Deferred tax assets—net operating losses and tax credit carryforwards	[redacted]	$ [redacted]
Deferred tax liabilities—investment in partnership	[redacted]	[redacted]
Valuation allowance	[redacted]	[redacted]
Total	[redacted]	[redacted]

On September 13, 2013, the U.S. Treasury department released final income tax regulations on the deduction and capitalization of expenditures related to tangible property. These final regulations apply to tax years beginning on or after January 1, 2014. Several of the provisions within the regulations required a tax accounting method change to be filed with the IRS. The Company recorded estimated additional tax depreciation of approximately [redacted]s of August 31, 2014, based on a preliminary assessment. The Company completed the study associated with the adoption of this regulation in 2015 and recorded additional depreciation expense for tax purposes of approximately [redacted] as of August 31, 2015.

The Company's deferred tax assets primarily result from federal and state net operating loss carryforwards (NOLs) acquired from the AB Holding Companies. Deferred tax liabilities include temporary differences arising from the basis of the Company's investment in partnerships that own the operating entities.

As of August 31, 2015 and 2014, the Company has gross federal NOLs o[redacted] and [redacted] respectively, and gross state NOLs o[redacted] and [redacted] respectively, that are expected to expire at various dates beginning in 2025 and through 2035. As of August 31, 2015, the Company has alternative minimum tax credit carryforwards o[redacted] that have no expiration date.

Under Section 382 of the Internal Revenue Code of 1986, as amended, substantial changes in the Company's ownership may limit the amount of NOLs that could be utilized annually in the future to offset its taxable income. Specifically, this limitation may arise in the event of a cumulative change in ownership of the Company of more than 50% within a three-year period. The Company performed an analysis as of November 30, 2012, and determined that it had experienced an ownership change for purposes of Section 382. As a result of the ownership change, use of a portion of the Company's NOLs may be limited in future periods. Furthermore, a portion of the NOLs may expire before being applied to reduce future income tax liabilities. The Company assessed the positive and negative evidence bearing upon the realizability of its deferred tax assets at each of November 30, 2012, the date of acquisition of the AB Holding Companies, as well as August 31, 2014 and 2015, including the forecasted sources of taxable income and the estimated limitations imposed by Section 382. Based on an assessment of this evidence, the Company has recorded a valuation allowance to reduce the gross deferred tax asset to the amount that it is more likely than not to be realized. The valuation allowance was initially established in the purchase price allocation as of November 30, 2012. The Company and its subsidiaries file income tax returns in the United States federal jurisdiction and various state jurisdictions. As of August 31, 2015 and 2014, the Company's historical income tax returns were not subject to examination by any taxing authority, however, the statute of limitation remains open for all jurisdictions.

12. EMPLOYEE BENEFITS

401(k) Savings Plan—The Company is the sponsor of a defined contribution savings plan for its employees under Section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pretax basis, subject to legal limitations. As plan sponsor, the Company may make contributions to the 401(k) Plan at the discretion of the board of directors. For the fiscal year ended August 31, 2015 and 2014, the Company recorded [redacted] and [redacted], respectively, of expense related to the 401(k) Plan.

13. COMMITMENTS AND CONTINGENCIES

Litigation—The Company is subject to various routine legal proceedings and claims incidental to its business, which management believes will not have a material effect on the Company's financial position, results of operations, or cash flows.

Operating Leases—The Company leases office and warehouse space, as well as equipment under both cancelable and noncancelable operating leases. Rental expense under operating lease agreements for the fiscal years ended August 31, 2015 and 2014 was $991 and $862, respectively.

Future minimum lease payments under noncancelable leases as of August 31, 2015, are as follows:

For the period September 1, 2015 through August 31, 2016	[redacted]
For the period September 1, 2016 through August 31, 2017	[redacted]
For the period September 1, 2017 through August 31, 2018	[redacted]
For the period September 1, 2018 through August 31, 2019	[redacted]
For the period September 1, 2019 through August 31, 2020	[redacted]
Thereafter	[redacted]
Total minimum lease payments	[redacted]

Collective Bargaining Agreements—As of August 31, 2015, approximately 24% of our employees were represented by several unions under collective bargaining agreements. None of the collective agreements have expired or will be expiring in the near future.

Marketing and Distribution Agreement—In May 2013, the Company signed a marketing and distribution agreement ("M&D Agreement") with a set-top box vendor, which provides for the Company's exclusive promotion, marketing, and distribution of customer premise equipment and related Web and mobile applications, and services to subscribers of the Company's services.

The term of the M&D Agreement is five years with renewal options for extension of up to two years. Over the combined seven-year term, the Company is committed to minimum license fees up to an aggregate of $11,562. The M&D Agreement can be terminated by either party for certain events, including an uncured breach or the commencement of the counterparty's bankruptcy or insolvency proceeding, dissolution, liquidation, or winding down of its affairs. In the event the M&D Agreement is terminated for the Company's breach, the Company would be obligated to pay within 30 days, a one-time lump-sum fee of $2,500, less the amount of license fees paid by the Company through the date of termination.

The M&D Agreement also contains a revenue share provision, whereby the Company is entitled to 20% of net revenue generated from applications that (a) pay a revenue share to the vendor and (b) are made available to the Company's subscribers. No amount of revenue share has been earned in the fiscal years ended August 31, 2015 and 2014.

Master Service Agreements—The Company has signed master service agreements with four third-party vendors governing the licensing of dark fiber cables for a 20-year term. The agreements required an up-front payment at the commencement date, with the remaining to be paid at completion of the installation. Total nonrecurring obligations equa[redacted], with [redacted]having been paid to date. Once placed in service, the cables will be capitalized and amortized over the 20-year term of the leases. Additional monthly maintenance fees will be expensed to the consolidated statement of operations as incurred.

* * * * * *

Exhibit B

Financial Statements

(Submitted under confidential cover).
The Applicant is providing consolidated financial statements for Acquisitions Cogeco Cable II, Inc., its ultimate holding company. These financial statements include the operations of the Applicant and its affiliates. Financial statements are not maintained at the individual entity level.