



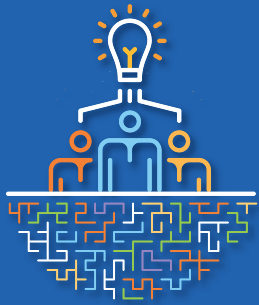
**Endeavor**  
Communications  
2019 ANNUAL REPORT

**BUILDING  
RELATIONSHIPS  
THROUGH  
TECHNOLOGY**

**YOUR FAMILY. YOUR FRIENDS.  
YOUR BUSINESS.**



## Building Relationships Through Technology



### TAKE INITIATIVE

#### IDENTIFY PROBLEMS

*Never accept  
the status quo*

#### BRING SOLUTIONS

COMMIT TO COMPLETION

FORGING AHEAD

EXCEEDING THE  
INDUSTRY STANDARD



### CARE DEEPLY

#### CUSTOMER CARE

OPEN COMMUNICATION

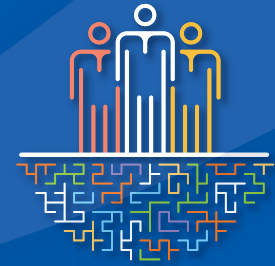
#### OUR COLLEAGUES

*Community Support*

#### CARE FOR THE COMPANY

COMPASSION

BE AWARE AND  
SHOW SUPPORT



### ENDEAVOR TOGETHER

#### DO THE RIGHT THING

TEAMWORK

#### OPEN COMMUNICATION

*Do your part*

#### WE ARE ALL ACCOUNTABLE

SAME TEAM,  
SAME MISSION

**"We Endeavor to help build the relationships that matter the most to you, our members. That begins with living out our Cooperative's Core Values."**

**- DARIN T. LACOURSIERE**

*President and CEO  
ENDEAVOR COMMUNICATIONS*

### **PERSISTENCE: INITIATE TO COMPLETION**

Only a few years ago, it was hard to get government support for our pursuits. Getting rid of the requirement that all members had to have a landline phone was a monumental transition. I initiated and stayed in the fight against the phone requirement regulation until we prevailed. It took years of working with government agencies to get this unfair constraint eliminated! At last year's annual meeting, we promised to get results and we did. I am happy to share the great news with you that members are no longer required to have a landline phone.

### **LOWERING COSTS: CARE DEEPLY**

Demonstrating how much we care; we invite all members to reevaluate their plans and see if we can save you money. Lynette, at our front desk, stated, "one elderly person cried when they found out they could save nearly a hundred dollars a month." Not all cases are that extreme, but the smiles on members' faces are very rewarding for Lynette to see. It is gratifying to know we can help members discover how to lower their entertainment bills through streaming or getting a broadband-only plan.

### **EARNING TRUST: ENDEAVOR TOGETHER**

We honored our goal to answer your requests to drop the required phone plan. Now, we continue to look to provide more ways to lower costs and provide quality service. We hope to continue to earn your trust as we Endeavor together.



## OUR TEAM | LIVING OUR VALUES



**"Our numbers have added up to our success."**

- DEB BRINSON - 40 years

**"Endeavor continues to forge ahead"**

- DAVID KEMPF - 34 years

**"We kept ahead of our competition."**

- KURT SPELBRING - 33 years

**"People services is about the right team member in the right place."**

- ELIZABETH CHEATHAM - 32 years







## No Phone Required

A phone is no longer required in order to have service in our membership areas. You have more options to save. We do offer phones if you wish to have one. It's now your choice.



## Stream On!

Members are moving over to new streaming services and selecting the programs that they want most. It's like customizing your TV schedule at any time. We continue to offer streaming training at our speed geeks sessions



## Joint Venture with Hendricks Power

Pittsboro, Tilden, Maplewood, and many Hendricks Power areas now receive our service. Working together with other cooperatives means shared success in reaching new rural communities.



## First Responders Free Service

Supporting our area firefighters and police continues as we donate free services to keep our first responders with the top systems needed for our area.



## Protecting the Public Sector

We proudly provide IT solutions for Police 911 dispatch, fire departments, and municipal governments. The town of Vincennes, IN. joins those covered with our largest contract to date.



## Avoid the Dark Web

Your business can now be more prepared than ever to meet the challenges of keeping your data safe from threats. Ask about our dark web scan and free threat assessment.



## Connect with Your Customers

Use your Internet to reach more customers, stay connected to the office, and maintain relationships more effectively with VPN and VoIP Soft Phone Services.



## Investing in Youth Training

The Cedric Ray scholarship is only one of many ways we sponsor future generations. Our nationally recognized Apprentice Speed Geek programs train young people with technology skills.

## UPHOLDING CORE VALUES | BOARD OF DIRECTORS

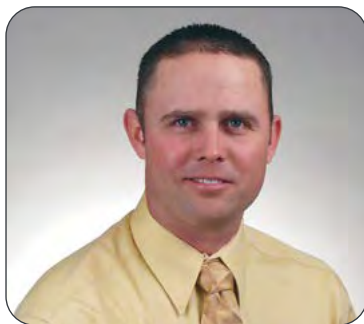
Reflecting the core values of Endeavor, the board leads us on our mission: to make your lives better.

The Board of Directors listen, interpret, and vote on your behalf in leading Endeavor to its goals. Our goal is to build a better relationship with you. Connect with us on Facebook, LinkedIn, or Twitter to stay in the conversation.



**CHAIRPERSON > CARE DEEPLY**  
JAMES ELLETT | COATESVILLE

*"We value you our members and we demonstrate that we care by doing the best service possible with the latest technology. We want to give remarkable customer service, by trouble shooting, locating problems, and fixing them as quickly as we can." - JAMES*



**VICE CHAIR > NO STATUS QUO**  
DOUG YOUNGBLOOD | POLAND

*"We need to continue to grow and change to provide you with a better life. Everyone's life is filled with technology. Our job is to help your life get better & easier. Sitting still and staying the same is not an option. We need to move forward to help your lives down." the road." - DOUG*



**SECRETARY > COMMUNICATION**  
PAM KIVETT | MONROVIA

*"Let's continue to have open communication. To me that's about having no secrets. Come to us and we will look for solutions. Talking to each other is vitally important. It is essential that we share our points of view with each other, even when we may disagree. We always want open communication with you." - PAM*



**TREASURER > BETTER SOLUTIONS**  
JACK HAUSER | PATRICKSBURG

*"We are always on the hunt for better solutions to the needs of our members. I remember the day we voted to bring us into the world of fiber Internet. There were two fiber lines going to our main hub, and now there are two fiber lines to every house! I will continue to look for solutions that help us all." - JACK*



## BOARD > EXCEED THE STANDARD

STEPHEN AKER | REELSVILLE

*"Members benefit when we keep on the cutting edge of technology. At first, we wanted to get on equal footing with industry offerings. In the last 10 years, we've gone beyond that standard to provide remarkable products & services for members. People say, 'thank you. We have the best Internet in the United States' That's a big accomplishment!" - STEVE*



## BOARD > ACCOUNTABILITY

RICHARD RICE | EMINENCE

*"We are all accountable. We answer to you our members. You should feel secure that we seek to grow our knowledge of the industry to serve and make representative decisions for you. Board members should be held responsible for our individual work and that's why we have our elections for you to voice your thoughts. We field phone calls and if we don't have an answer we will get one for you. That's makes us accountable." - RICHARD*



## BOARD > CUSTOMER CARE

JAMES SMITH | CLOVERDALE

*"We are a member owned cooperative. We need to remember that 24/7. I support more communication from us to you, so you know what is going on at Endeavor. Our members deserve to understand how our cooperative is serving them. We show we care when we stay connected." - JIM*



## BOARD > COMMUNITY SUPPORT

BRAD HENDERSON | ATLANTA

*"I am thankful for our members and their continued support. We pledge to continue to reach out and support our members and their communities"*

- BRAD



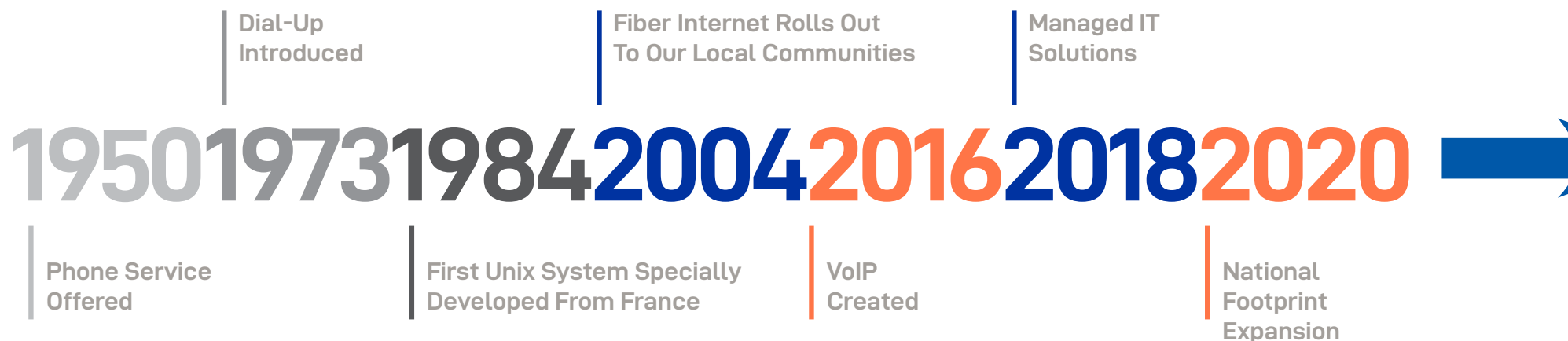
## BOARD > RELATIONSHIPS

DEVIN SALSMAN | MT MERDIAN

*"Diversification secures our future. We initiate relationships with other cooperatives like, Hendricks Power, Parke Co. REMC, and other co-ops to build our future together. Rural broadband wouldn't happen if we didn't initiate & become leaders in our community." - DEVIN*

**"The Board of Directors is here to serve and listen to you."** - JAMES ELLETT

## BUILDING RELATIONSHIPS THROUGH TECHNOLOGY



## 2019 | RECAP

### ENDEAVOR COMMUNICATIONS ANNUAL MEETING OF MEMBERS > April 13, 2019

The annual meeting of the members of Clay County Rural Telephone Cooperative, Inc. d/b/a Endeavor Communications ("Endeavor") was held on April 13, 2019, at the South Putnam High School. Doors opened at 5:00 p.m. for registration and dinner. The annual meeting began at 7:04 p.m.

Girl Scout Troop 3288 presented the colors and led the members in the Pledge of Allegiance,

followed by the playing of the National Anthem. The invocation was given by Elizabeth Cheatham. Pamela Kivett, Chairperson of the Board of Directors, then called the meeting to order and thanked the members for attending. Kathy Morgan drew names for six (6) grand prizes. Chairperson Kivett then introduced the Board of Directors, the President and Chief Executive Officer, and guests. Secretary Doug Youngblood announced that there was a quorum present. He also announced that a notice had been properly mailed to members according to Endeavor's By-laws.

Chairperson Kivett then asked for Mr. Youngblood to read the minutes for the April 7, 2018 Annual Meeting. He then asked for a motion to approve the minutes of the 2018 annual meeting. The motion was made

and seconded. The motion carried by a voice vote. Chairperson Kivett introduced Derrick Larson of EIDE BAILLY to present the 2018 financial report. Mr. Larson discussed the financial statements, which were published in the annual meeting materials, and provided the membership an overview of the financial condition of Endeavor. Secretary Doug Youngblood advised the members of the results of the Board of Director elections as follows: Monrovia exchange – Pamela Kivett (unopposed); Mt. Meridian exchange – Devin Salsman (unopposed); Reelsville exchange – Steve Aker (unopposed).

Chairperson Kivett asked members to present old business. No old business was presented. Chairperson Kivett stated no new business items

had been received within the required notification period under Endeavor's By-laws as noted on the annual meeting invitation. Chairperson Kivett introduced Darin LaCoursiere, President and Chief Executive Officer. Mr. LaCoursiere provided the membership with a report on the challenges and opportunities confronting Endeavor over the past year and into the future, as well as significant achievements. Mr. LaCoursiere also recognized Endeavor employees, past and present, for their contributions to Endeavor.

Chairperson Kivett asked for and received a motion to adjourn the meeting. The motion to adjourn was seconded and passed by voice vote unanimously.

The annual meeting was adjourned at 7:48 p.m.



**"We have progressed from the crank phone and party lines to a private line for each subscriber with push button dialing and automatic number identification. Car phones, page beepers, computer systems and many other services, not thought of in 1950 are now being used..."**

**"We are now at the beginning of many new changes and new services that will become available to our communities in the coming years."**

**- CEDRIC RAY  
1980**



**"Shaping our future starts with what is most important...our hearts."**

**- DARIN LACOURSIERE  
2020**

## OPERATIONS REVENUE



Cash Assets

\$12,866,481

\$11,367,094



Long Term Debt

\$715,101

\$18,550



Telecommunications Plant

\$74,969,075

\$69,919,802



Equities

\$74,969,075

\$69,919,802

Revenue

\$5,217,715

Total Staff

87

## EXCHANGE SQUARE MILEAGE

Atlanta ..... 31.9

Cloverdale ..... 96.8

Coatesville ..... 32.4

Eminence ..... 33.1

Monrovia ..... 51.5

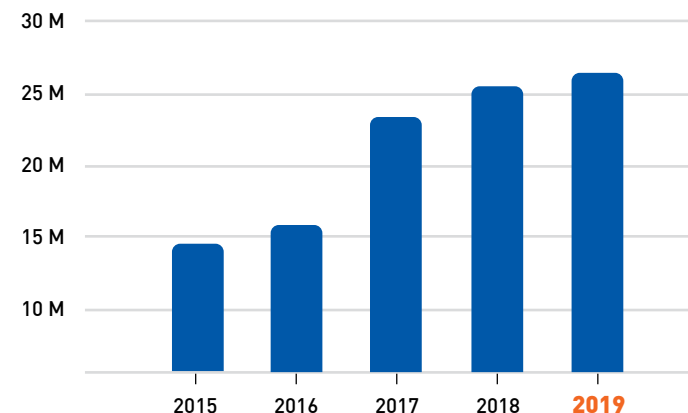
Mt. Meridian ..... 37.4

Patricksburg ..... 87.9

Poland ..... 90.2

Reelsville ..... 61.8

## REVENUE GROWTH



2015 > \$14,911,706

2017 > \$23,593,243

2016 > \$16,171,845

2018 > \$25,409,717

**\$26,915,336**  
TOTAL OPERATING REVENUE



EMPLOYEE  
GROWTH

# 275%

Endeavors' workforce has grown significantly since our start with 3 exchanges in 1950, nearly tripling our team from forty years ago.



COOPERATIVE'S  
TOTAL AREA IN  
SQUARE MILES

# 523 MILES

Formed back in 1950, our Cooperative is now the union of Nine Exchanges with over 20,000 living in the combined service area noted by the 2012 census.



EXPANSION TO DANVILLE,  
MOORESVILLE, PITTSBORO,  
MAPLEWOOD & BEYOND

# 29 AREAS

Endeavor is dedicated to expanding Indiana's regional service area to surrounding rural communities to provide reliable internet services to our neighbors and businesses.



## ASSETS

### Current Assets

	2019	2018
Cash and cash equivalents	\$ 8,656,210	\$ 7,824,935
Accounts receivable, net	2,067,077	1,804,031
Income taxes receivable	18,594	21,870
Materials and supplies	1,401,446	1,475,146
Other current assets	723,154	241,112
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 12,866,481</b>	<b>\$ 11,367,094</b>

### Investments and Noncurrent Assets

Certificates of deposit	\$ 100,000	\$ 100,000
Investment - Indiana Fiber Network, LLC	1,368,171	1,368,171
Investment - Indiana Video Network, LLC	143,950	111,155
Other Investments	415,510	285,753
Deferred Income Taxes	33,451	--
Goodwill	65,084	--
<b>TOTAL INVESTMENTS AND NONCURRENT ASSETS</b>	<b>\$ 2,126,166</b>	<b>\$ 1,865,079</b>

### Property, Plant & Equipment

In service	\$ 107,912,900	\$ 99,711,756
Under construction	1,157,794	3,620,486
<b>TOTAL INVESTMENT IN PLANT</b>	<b>\$ 109,070,694</b>	<b>\$ 103,332,242</b>
Less accumulated depreciation	(49,094,266)	(46,644,613)
Net plant	59,976,428	56,687,629
<b>TOTAL ASSETS</b>	<b>\$ 74,969,075</b>	<b>\$ 69,919,802</b>

## LIABILITIES AND EQUITIES

### Current Liabilities

Current portion of long-term debt	\$ 1,093,168	\$ 655,182
Accounts payable	938,721	1,094,199
Patronage capital credits payable	465,167	438,198
Accrued taxes other than income taxes	860,629	898,514
Customer deposits	134,968	74,410
Deferred revenue	115,517	9,858
Other current liabilities	865,115	645,634
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 4,473,285</b>	<b>\$ 3,815,995</b>

### Noncurrent Liabilities

Long-term debt, less current portion	\$ 603,010	--
Deferred revenue	112,091	18,550
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>\$ 715,101</b>	<b>\$ 18,550</b>

### Equities

Patronage capital	\$ 44,748,093	\$ 43,015,187
Other equities	25,032,596	23,070,070
<b>TOTAL EQUITIES</b>	<b>\$ 69,780,689</b>	<b>\$ 66,085,257</b>
	<b>\$ 74,969,075</b>	<b>\$ 69,919,802</b>

## CONSOLIDATED STATEMENTS OF OPERATIONS

### Operating Revenues

	2019	2018
Local network	\$ 2,031,271	\$ 2,092,878
Network access	11,810,544	11,973,799
Internet	6,001,009	5,634,551
Video	3,403,422	3,524,020
Other nonregulated	3,381,484	1,929,053
Miscellaneous	287,606	276,855
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 26,915,336</b>	<b>\$ 25,431,156</b>

### Operating Expenses

Plant specific operations	\$5,477,468	\$ 5,320,553
Plant nonspecific operations	2,063,081	1,942,521
Video programming	3,070,461	3,026,226
Customer operations	2,204,385	2,403,871
Corporate operations	2,381,103	2,227,667
Depreciation	6,270,243	5,825,643
Operating Taxes	675,985	709,019
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 22,142,726</b>	<b>\$ 21,455,500</b>

### NET OPERATING MARGIN

	<b>\$ 4,772,610</b>	<b>\$ 3,975,656</b>
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### Other Income (Loss)

Investment Income	\$ 281,068	\$ 231,049
Gain on disposal of assets	382,786	--
Amortization	(5,277)	--
Interest expense	(194,717)	185,237
Other nonoperating	(31,757)	(50,366)

### OTHER TOTAL INCOME (LOSS)

	<b>\$ 423,103</b>	<b>(\$ 4,554)</b>
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### NET MARGIN BEFORE INCOME TAXES

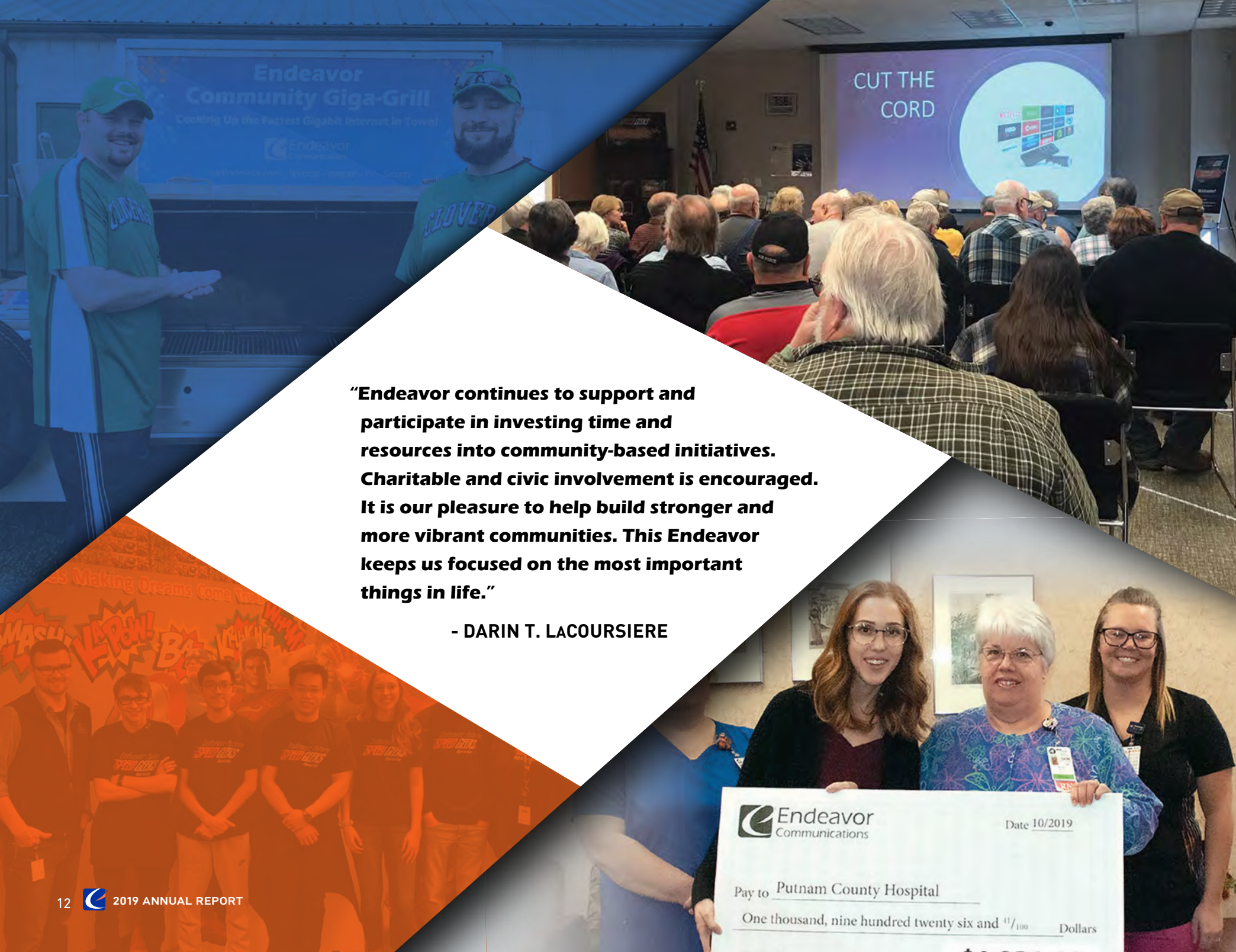
	<b>\$ 5,204,713</b>	<b>\$ 3,971,102</b>
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### INCOME TAX BENEFIT

	<b>(\$ 13,002)</b>	<b>-</b>
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### NET MARGIN

	<b>\$ 5,217,715</b>	<b>\$ 3,971,102</b>
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**“Endeavor continues to support and participate in investing time and resources into community-based initiatives. Charitable and civic involvement is encouraged. It is our pleasure to help build stronger and more vibrant communities. This Endeavor keeps us focused on the most important things in life.”**

**- DARIN T. LACOURSIERE**