



Audited Consolidated Financial Statements

September 30, 2022 & 2021



Endeavor Communications

Consolidated Balance Sheets

September 30, 2022 and 2021

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 15,313,428 | \$ 25,814,277 |
| Certificates of deposit | - | 100,000 |
| Accounts receivable, net | 8,649,338 | 4,475,735 |
| Lease receivable | 349,793 | 326,526 |
| Income taxes receivable | 59,196 | 91,955 |
| Inventory | 6,258,301 | 6,144,288 |
| Other current assets | 830,250 | 761,797 |
| Total current assets | 31,460,306 | 37,714,578 |
| Investments and Noncurrent Assets | | |
| Certificates of deposit | 100,000 | - |
| Investment - Indiana Video Network, LLC | 76,604 | 115,172 |
| Other investments | 835,120 | 1,097,982 |
| Goodwill, net of accumulated amortization | 18,458,369 | 14,839,689 |
| Intangibles | 2,839,196 | 1,859,196 |
| Lease receivable | 374,718 | 724,511 |
| Total investments and noncurrent assets | 22,684,007 | 18,636,550 |
| Property, Plant and Equipment, Net | 75,567,652 | 73,045,281 |
| | <u>\$ 129,711,965</u> | <u>\$ 129,396,409</u> |



Endeavor Communications

Consolidated Balance Sheets

September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|-----------------------|-----------------------|
| Liabilities and Equities | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 2,812,132 | \$ 2,722,217 |
| Accounts payable | 2,913,504 | 2,251,460 |
| Patronage capital credits payable | 390,966 | 321,977 |
| Accrued taxes other than income taxes | 699,404 | 767,346 |
| Customer deposits | 100,912 | 111,274 |
| Deferred revenue | 810,461 | 654,942 |
| Other current liabilities | <u>2,993,738</u> | <u>3,820,899</u> |
| Total current liabilities | <u>10,721,117</u> | <u>10,650,115</u> |
| Noncurrent Liabilities | | |
| Long-term debt, less current portion | 18,974,715 | 21,783,951 |
| Deferred income tax liability | 725,740 | 175,433 |
| Deferred revenue | <u>111,354</u> | <u>122,609</u> |
| Total noncurrent liabilities | <u>19,811,809</u> | <u>22,081,993</u> |
| Equities | | |
| Patronage capital | 71,079,034 | 49,879,867 |
| Other equities | <u>28,100,005</u> | <u>46,784,434</u> |
| Total equities | <u>99,179,039</u> | <u>96,664,301</u> |
| | <u>\$ 129,711,965</u> | <u>\$ 129,396,409</u> |



Endeavor Communications
Consolidated Statements of Operations
Years Ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|----------------------------|-----------------------------|
| Operating Revenues | | |
| Local network | \$ 719,332 | \$ 945,266 |
| Network access | 12,923,778 | 12,781,183 |
| Internet | 8,600,139 | 7,871,554 |
| Video | 1,231,365 | 2,376,515 |
| Technology sales and services | 32,634,820 | 29,458,691 |
| Other nonregulated | 6,169,288 | 4,763,660 |
| Miscellaneous | <u>259,837</u> | <u>251,970</u> |
| Total operating revenues | <u>62,538,559</u> | <u>58,448,839</u> |
| Operating Expenses | | |
| Cost of technology sales and services | 22,705,079 | 21,310,878 |
| Plant specific operations | 7,225,431 | 5,674,082 |
| Plant nonspecific operations | 1,814,164 | 1,974,727 |
| Video programming | 1,154,495 | 2,109,224 |
| Customer operations | 3,643,270 | 4,006,127 |
| Corporate operations | 9,728,326 | 7,632,302 |
| Depreciation | 8,060,106 | 7,509,965 |
| Operating taxes | <u>424,091</u> | <u>502,670</u> |
| Total operating expenses | <u>54,754,962</u> | <u>50,719,975</u> |
| Net Operating Margin | <u>7,783,597</u> | <u>7,728,864</u> |
| Other Income (Expense) | | |
| Investment income | 84,126 | 51,148 |
| Gain on disposal of assets | 19,199 | - |
| Amortization | (2,171,838) | (1,713,422) |
| Interest expense | (738,279) | (941,640) |
| Paycheck Protection Program loan forgiveness | - | 1,356,500 |
| Gain on liquidation of Indiana Fiber Network, LLC | - | 18,333,763 |
| Other nonoperating | <u>40,907</u> | <u>(56,339)</u> |
| Total other income (expense) | <u>(2,765,885)</u> | <u>17,030,010</u> |
| Net Margin Before Income Taxes | 5,017,712 | 24,758,874 |
| Income Tax Expense | <u>643,391</u> | <u>298,680</u> |
| Net Margin | <u><u>\$ 4,374,321</u></u> | <u><u>\$ 24,460,194</u></u> |