

ATTACHMENT 12
APPLICANT FINANCIAL STATEMENTS FOR 2019

Follows.

STATEMENT OF INCOME
EASTON TELECOM SERVICES, LLC.

	Year Ended December 31	
	2019	2018
Net sales	\$ 13,564,410	\$ 14,233,391
Purchase of phone services	8,548,885	8,701,516
Commissions	<u>1,843,388</u>	<u>2,005,432</u>
Cost of Sales	<u>10,392,273</u>	<u>10,706,948</u>
Gross Profit	3,172,137	3,526,443
Operating Expenses	<u>2,747,780</u>	<u>2,930,917</u>
Income from Operations	424,357	595,526
Other Income (Expense):		
Interest income	3,496	10,207
Interest expense	(43,794)	(42,465)
Other Income (Expense):	<u>8,711</u>	<u>(53,190)</u>
Total Other Expense	<u>(31,587)</u>	<u>(85,448)</u>
Income before Provision for City Income Taxes	392,770	510,078
Provision for city income taxes	<u>18,103</u>	<u>16,422</u>
Net Income	<u>\$ 374,667</u>	<u>\$ 493,656</u>

See accompanying notes and accountant's report.

BALANCE SHEET

EASTON TELECOM SERVICES, LLC.

	December 31	
	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 792,370	\$ 756,669
Accounts receivable - trade	716,627	773,143
Prepaid expenses	<u>24,505</u>	<u>50,166</u>
Total Current Assets	1,533,502	1,579,978
PROPERTY AND EQUIPMENT:		
Cost	218,785	218,785
Less: Allowance for depreciation	<u>198,072</u>	<u>188,143</u>
Total Property and Equipment	<u>20,713</u>	<u>30,642</u>
Total Assets	<u>\$ 1,554,215</u>	<u>\$ 1,610,620</u>

See accompanying notes and accountant's report.

	December 31	
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES:		
Line-of-credit	\$ 500,000	\$ 379,990
Current portion of long-term debt	82,000	78,000
Accounts payable	1,243,934	1,220,256
Accrued commissions	141,650	159,592
Accrued profit sharing	54,066	70,568
Communications taxes payable	283,664	345,427
Deferred revenue	446,745	303,761
Accrued income taxes	<u>1,600</u>	<u>-</u>
Total Current Liabilities	2,753,659	2,557,594
LONG-TERM DEBT - net of current portion	<u>144,643</u>	<u>226,046</u>
Total Liabilities	2,898,302	2,783,640
MEMBER'S EQUITY (DEFICIT)	<u>(1,344,087)</u>	<u>(1,173,020)</u>
Total Liabilities and Member's Equity (Deficit)	<u>\$ 1,554,215</u>	<u>\$ 1,610,620</u>

STATEMENT OF MEMBER'S EQUITY (DEFICIT)

EASTON TELECOM SERVICES, LLC.

	Year Ended December 31	
	<u>2019</u>	<u>2018</u>
Beginning - Member's Equity (Deficit)	\$ (1,173,020)	\$ (1,093,499)
Net income	374,667	493,656
Distributions	<u>(545,734)</u>	<u>(573,177)</u>
Ending - Member's Equity (Deficit)	<u>\$ (1,344,087)</u>	<u>\$ (1,173,020)</u>

See accompanying notes and accountant's report.