

May 14, 2014

Doug Dillard  
Telecommunications Division  
Alabama Public Service Commission  
PO Box 304260  
Montgomery, AL 36130

Dear Mr. Dillard:

Enclosed please find the Accountants' Compilation Report for the fiscal year ended 12/31/2013 for our company ATN, Inc. Please note that the reports are preliminary since the accounting firm Fowler, Maxwell & Company is currently working on our 2013 corporate income tax return.

If you have any questions, please contact me at 912-580-3780.

Sincerely,



Ivette Vera  
Accounting Manager  
ATN, Inc.



# Fowler, Maxwell & Company, P.C.

**CONFIDENTIAL**

**F M & C O**

Certified Public Accountants

William S. Fowler, C.P.A.

24 Andrews Way  
Kingsland, GA 31548

William R. Maxwell, C.P.A.

ACCOUNTANTS' COMPILATION REPORT

Telephone: (912) 882-3790  
Fax: (912) 882-5909

To the Board of Directors  
ATN, INC  
913 DILWORTH ST  
ST MARYS, GA 31558

**Preliminary**

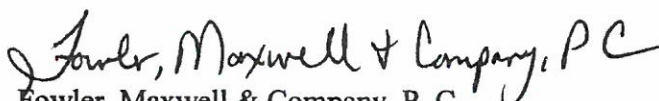
We have compiled the accompanying statement of assets, liabilities, and equity - income tax basis of ATN, INC (a corporation) as of December 31, 2013 and the related statement of revenues and expenses - income tax basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to ATN, INC.

  
Fowler, Maxwell & Company, P. C.  
May 14, 2014

MEMBERS

American Institute of Certified Public Accountants  
Georgia Society of Certified Public Accountants

E-MAIL: [email@fowlermaxwell.com](mailto:email@fowlermaxwell.com)  
Home Page: [www.fowlermaxwell.com](http://www.fowlermaxwell.com)

ATN, INC  
Statement of Assets, Liabilities, and Equity  
Income Tax Basis  
As of December 31, 2013

**! CONFIDENTIAL**

ASSETS

**PRELIMINARY**

**CURRENT ASSETS**

Cash in Bank - SE Bank-Savings	\$ 314,718.19
Petty Cash	241.70
Acct Rec Debit Cards	42,576.29
Acc Rec Prepay Receipts CSA	235,747.71
Employee Advance	1,227.00
Prepaid Expenses	<u>111,745.78</u>
<b>Total Current Assets</b>	<u>706,256.67</u>

**PROPERTY AND EQUIPMENT**

Signs	1,165.46
Automobiles & Trucks	205,588.85
Machinery & Equipment	1,836,842.90
Furniture & Fixtures	22,011.88
Accumulated Depreciation	<u>(1,897,796.00)</u>
<b>Net Property and Equipment</b>	<u>167,813.09</u>

**OTHER ASSETS**

Note Receivable- Customer Svc of America	92,676.98
Organizational Cost	1,000.00
Investment-CSA	<u>120,000.00</u>
<b>Total Other Assets</b>	<u>213,676.98</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 1,087,746.74</u></u>
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**ATN, INC**  
**Statement of Assets, Liabilities, and Equity**  
**Income Tax Basis**  
**As of December 31, 2013**

**PRELIMINARY!**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

<b>CURRENT LIABILITIES</b>	
Bank Overdraft	\$ 83,853.00
Accounts Payable	444,410.55
FICA W/H Payable	3,879.74
State W/H Payable	4,944.70
FUTA Payable	1,583.11
SUTA Payable	406.05
Insurance	10,490.05
Sales Tax Payable	5,664.26
Note Payable-Credit Cards	1,849.62
	<hr/>
<b>Total Current Liabilities</b>	<b>557,081.08</b>
 <b>LONG-TERM LIABILITIES</b>	
Note Payable - Dell Financial	11,914.47
Note Payable - SE Bank LOC	131,590.22
N/P- SE BANK #0936	18,497.34
N/P SE BANK # 104	77,883.57
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<b>Total Long-Term Liabilities</b>	<b>239,885.60</b>
	<hr/>
<b>Total Liabilities</b>	<b>796,966.68</b>
 <b>STOCKHOLDERS' EQUITY</b>	
Common Stock	500.00
Add'l Paid in Capital	500.00
Retained Earnings	1,061,290.10
Treasury Stock	(788,600.00)
Current Net Income(Loss)	17,089.96
	<hr/>
<b>Total Stockholders' Equity</b>	<b>290,780.06</b>
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,087,746.74</b>



**ATN, INC**  
**Statement of Revenues and Expenses**  
**Income Tax Basis**

**PRELIMINARY**

	12 Months Ended December 31, 2013	%
<b>Revenue</b>		
Fees	\$ 6,116,881.92	95.16
Commissions	4,775.03	0.07
Discounts	(8,147.00)	(0.13)
Other Income	314,655.66	4.89
<b>Total Revenue</b>	<b>6,428,165.61</b>	<b>100.00</b>
<b>Cost of Goods Sold</b>		
Supplies	30,290.05	0.47
Commissions	3,794,995.45	59.04
Independent Contractors	4,750.00	0.07
Telephone	630,693.30	9.81
Validation Expense	37,664.17	0.59
<b>Total Cost of Goods Sold</b>	<b>4,498,392.97</b>	<b>69.98</b>
<b>Total Gross Profit</b>	<b>1,929,772.64</b>	<b>30.02</b>
<b>Operating Expenses</b>		
Advertising	31,511.53	0.49
Auto and Truck Expense	36,251.14	0.56
Contributions	3,040.00	0.05
Political Contributions	2,500.00	0.04
Depreciation	106,673.00	1.66
Section 179 Expense	36,855.00	0.57
Dues & Subscriptions	8,058.27	0.13
Entertainment & Meals	22,994.11	0.36
Equipment Rental	4,750.80	0.07
Insurance	34,409.88	0.54
Interest	20,492.24	0.32
Contracted Professional Svc	263,818.59	4.10
Janitorial Expense	637.36	0.01
Legal & Accounting	35,866.94	0.56
Licenses & Fees	39,145.39	0.61
Employee Relations	511.85	0.01
Office Expense	36,972.65	0.58
Freight	7,892.30	0.12
Postage	18.70	0.00
Rent	12,000.00	0.19
Repairs & Maintenance	2,356.53	0.04
Penalties	640.41	0.01
Salaries & Wages	662,929.07	10.31
Salaries-Officer	227,038.50	3.53
Salaries - Officer Bonus	15,000.00	0.23
Supplies	10,652.72	0.17
Taxes - Payroll	71,854.76	1.12

**ATN, INC**  
**Statement of Revenues and Expenses**  
**Income Tax Basis**

**PRELIMINARY**

	<b>12 Months Ended</b>	
	<b>December 31, 2013</b>	<b>%</b>
Taxes - Other	112,255.90	1.75
Telephone	17,455.07	0.27
Travel	70,026.73	1.09
Utilities	19,993.69	0.31
<b>Total Operating Expenses</b>	<b>1,914,603.13</b>	<b>29.78</b>
<b>Operating Income (Loss)</b>	<b>15,169.51</b>	<b>0.24</b>
<b>Other Income (Expense)</b>		
Interest Income	1,920.45	0.03
<b>Total Other Income (Expense)</b>	<b>1,920.45</b>	<b>0.03</b>
<b>Net Income (Loss)</b>	<b>\$ 17,089.96</b>	<b>0.27</b>