



CONFINEMENT COMMUNICATIONS

913 Dilworth Street • St. Marys, GA 31558

June 15, 2015


Doug Dillard
Utility Services 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 12/31/2014 for our company ATN, Inc. Please note that the reports are preliminary since the accounting firm Fowler, Maxwell & Company is currently working on our 2014 corporate income tax return.

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

Sincerely,


Yvette Vera
Accounting Manager
ATN, Inc.

Fowler, Maxwell & Company, P.C.

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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, 2014 and the related statement of revenues and expenses - income tax basis for the twelve months 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.
Fowler, Maxwell & Company, P. C.
June 15, 2015

ATN, INC
Statement of Assets, Liabilities, and Equity
Income Tax Basis
As of December 31, 2014

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Preliminary

ASSETS

CURRENT ASSETS	
Cash in Bank - SE Bank-Savings	\$ 136,980.10
Petty Cash	99.92
Acct Rec Debit Cards	41,838.64
Acc Rec Prepay Receipts CSA	153,912.07
Employee Advance	432.00
Prepaid Expenses	<u>74,451.19</u>
Total Current Assets	<u>407,713.92</u>
PROPERTY AND EQUIPMENT	
Signs	1,165.46
Automobiles & Trucks	217,620.78
Machinery & Equipment	1,825,183.90
Machinery & Equipment- Kiosk	204,549.24
Furniture & Fixtures	22,011.88
Accumulated Depreciation	(1,978,953.02)
Accumulated Depreciation- Kiosk	<u>(31,937.98)</u>
Net Property and Equipment	<u>259,640.26</u>
OTHER ASSETS	
Note Receivable- Customer Svc of America	130,154.33
Prepaid Taxes	1,718.00
Organizational Cost	1,000.00
Investment-CSA	<u>120,000.00</u>
Total Other Assets	<u>252,872.33</u>
TOTAL ASSETS	<u>\$ 920,226.51</u>

See Accountants' Compilation Report

ATN, INC
Statement of Assets, Liabilities, and Equity
Income Tax Basis
As of December 31, 2014

! CONFIDENTIAL

Preliminary

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Bank Overdraft	\$ 74,762.76
Accounts Payable	441,035.79
State W/H Payable	2,822.86
FUTA Payable	50.07
SUTA Payable	13.72
Insurance	6,278.61
AL-Utility Gross Receipt Tax	59,808.82
Sales Tax Payable	4,392.34
Note Payable-Credit Cards	3,506.59
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Total Current Liabilities	592,671.56
LONG-TERM LIABILITIES	
N/P- SE BANK #902342	67,184.88
Note Payable - Dell Financial	1,744.72
Note Payable - SE Bank LOC	113,785.17
N/P SE BANK # 104	39,611.00
N/P- SE BANK- #902334	120,942.16
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Total Long-Term Liabilities	343,267.93
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Total Liabilities	935,939.49
STOCKHOLDERS' EQUITY	
Common Stock	500.00
Add'l Paid in Capital	500.00
Retained Earnings	1,027,373.56
Treasury Stock	(815,900.00)
Current Net Income(Loss)	(228,186.54)
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Total Stockholders' Equity	(15,712.98)
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 920,226.51

See Accountants' Compilation Report

ATN, INC
Statement of Revenues and Expenses
Income Tax Basis

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	12 Months Ended December 31, 2014	%	Preliminary
Revenue			
Fees	\$ 5,369,826.10	97.22	
Commissions	15,059.25	0.27	
Commissions- Kiosk	1,034.55	0.02	
Inmate Commissary Calls	1,183.70	0.02	
Discounts	(9,394.50)	(0.17)	
Other Income	145,509.84	2.63	
Total Revenue	5,523,218.94	100.00	
Cost of Goods Sold			
Supplies	6,672.52	0.12	
Commissions	3,268,166.60	59.17	
Independent Contractors	7,195.50	0.13	
Telephone	421,592.28	7.63	
Telephone- Kiosk	18,792.97	0.34	
Platform Fees	419,359.59	7.59	
Validation Expense	27,500.00	0.50	
Total Cost of Goods Sold	4,169,279.46	75.49	
Total Gross Profit	1,353,939.48	24.51	
Operating Expenses			
Advertising	18,214.83	0.33	
Auto and Truck Expense	43,053.46	0.78	
Auto Expense- Kiosk	3,076.99	0.06	
Bank Charges	111.69	0.00	
Contributions	2,186.00	0.04	
Depreciation	103,432.02	1.87	
Depreciation - Kiosk	31,937.98	0.58	
Dues & Subscriptions	1,303.64	0.02	
Entertainment & Meals	18,675.68	0.34	
Entertainment & Meals- Kiosk	1,535.36	0.03	
Equipment Rental	4,750.80	0.09	
Insurance	23,333.31	0.42	
Health Insurance	14,170.17	0.26	
Interest	16,611.77	0.30	
Interest- Kiosk	3,127.44	0.06	
Contracted Professional Svc	128,310.00	2.32	
Janitorial Expense	613.33	0.01	
Legal & Accounting	30,045.73	0.54	
Licenses & Fees	21,199.35	0.38	
Employee Relations	336.06	0.01	
Office Expense	27,556.92	0.50	
Freight	7,265.80	0.13	
Freight- Kiosk	113.59	0.00	

See Accountants' Compilation Report

ATN, INC
Statement of Revenues and Expenses
Income Tax Basis

! CONFIDENTIAL

Preliminary

	12 Months Ended December 31, 2014	%
Postage	8.46	0.00
Rent	12,000.00	0.22
Repairs & Maintenance	4,060.45	0.07
Penalties	2,856.81	0.05
Salaries & Wages	574,899.47	10.41
Salaries-Officer	270,792.62	4.90
Salaries - Officer Bonus	3,000.00	0.05
Supplies	2,452.93	0.04
Supplies-Kiosk	1,679.31	0.03
Taxes - Payroll	65,095.07	1.18
Taxes - Other	55,942.30	1.01
Telephone	14,528.04	0.26
Travel	43,650.11	0.79
Travel - Kiosk	7,983.00	0.14
Utilities	25,105.89	0.45
Total Operating Expenses	1,585,016.38	28.70
Operating Income (Loss)	(231,076.90)	(4.18)
Other Income (Expense)		
Collection Tax Allowance	31.05	0.00
Interest Income	1,359.31	0.02
Gain/Loss on Sale of Assets	1,500.00	0.03
Total Other Income (Expense)	2,890.36	0.05
Net Income (Loss)	\$ (228,186.54)	(4.13)

See Accountants' Compilation Report