

February 5, 2015

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

**doug.dillard@psc.alabama.gov**

RE: Annual Financial Reporting Requirements

Dear Sir(s):

Inmate Calling Solutions, LLC d/b/a ICSolutions ("ICS") submits the enclosed financial statements in response to the above captioned requirement. Please note that this information is confidential and should not be published or otherwise disclosed to any third party without the express written permission of ICS.

I can also be reached directly at 210-581-8104 with any questions or concerns.

Sincerely,



Ken Dawson,  
Director Contracts & Regulatory

**Inmate Calling Solutions, LLC  
Balance Sheet  
(Unaudited)**

**ASSETS**

	<b>December 31, 2014</b>
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable, net	6,020,016
Prepaid expenses	1,818,865
Inventory	954,007
Total current assets	8,792,888
Property, plant and equipment	13,687,839
Accumulated depreciation	(6,797,756)
Property, plant and equipment, net	6,890,083
Goodwill	29,687,257
Intangible assets, net of accumulated amortization	6,196,833
License royalty, net	500,000
Other assets	1,510,643
Total other assets	37,894,733
<b>Total Assets</b>	<b>\$ 53,577,704</b>

**LIABILITIES AND MEMBERS' CAPITAL**

	<b>December 31, 2014</b>
Current liabilities:	
Accounts payable-trade	\$ 7,970,971
Deposits and other payables due to customers	3,193,252
Accrued liabilities	3,090,595
Other current liabilities	292,000
Total current liabilities	14,546,818
Non-current liabilities:	
Related party payables to parent	13,128,718
Total liabilities	27,675,536
Members' capital:	
Members' capital	16,800,440
Retained Earnings	9,101,728
Total members' capital	25,902,168
<b>Total Liabilities and Members' Capital</b>	<b>\$ 53,577,704</b>

\*\*\*\*\***CONFIDENTIAL**\*\*\*\*\*

**Inmate Calling Solutions, LLC**  
**Statement of Income**  
**(Unaudited)**

	<u>Year Ended</u> <u>December 31, 2014</u>
Net sales	\$ 40,530,107
Cost of sales	<u>13,815,150</u>
Gross profit	26,714,957
Expenses:	
Selling	3,467,365
General & administrative	<u>13,429,815</u>
Total expenses	<u>16,897,180</u>
Operating income	9,817,777
Other expense:	
Other expense	<u>2,408,998</u>
Income before taxes	7,408,779
Tax expense	<u>2,937,275</u>
<b>Net income</b>	<u><u>\$ 4,471,504</u></u>

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