



March 18, 2015  
Via Email  
Doug.Dillard@psc.alabama.com

2600 Maitland Center Pkwy  
Maitland, FL  
32751  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

Mr. Douglas Dillard (Email)  
Alabama Public Service Commission  
Doug.Dillard@psc.alabama.com,

RE: AL Annual Financial Statements - INMATE

Tel: 407-740-8575  
Fax: 407-740-0613  
tmi@tminc.com

Dear Mr.Dillard:

Enclosed please find financial statements for Pay Tel Communications, Inc. for their fiscal year ended 2014. This information is being supplied to you in compliance with the Alabama Public Service Commission requirement for Annual Report submission.

Questions pertaining to this filing should be addressed to my attention at 407-740-8575. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Geuder".

Kimberly Geuder  
Compliance Reporting Specialist

enclosures

cc: Tim Smith, Pay Tel Communications, Inc.  
file: Pay Tel Communications, Inc. - Reporting- Alabama

Pay Tel Communications Inc  
Balance Sheet  
December 31, 2014  
UNAUDITED

**CONFIDENTIAL**

2014

**ASSETS**

Current assets:

Cash	\$1,266,358.97
Net accounts receivable	556,283.95
Prepaid expenses and other receivables	257,729.15
Notes receivable from related parties, net	<u>424,661.37</u>
Total current assets	2,505,033.44

Property and equipment, at cost:

Inmate communications equipment	3,364,412.63
Office furniture, equipment and software	7,079,052.60
Leasehold improvements	1,761,565.11
Vehicles	<u>591,175.59</u>
Total property and equipment	12,796,205.93

Less accumulated depreciation and amortization

(7,531,512.39)

Net property and equipment

5,264,693.54

Other assets:

Notes receivable from related parties, net	
Net deferred contract costs and commissions	553,269.00
Settlement reserve deposits	151,286.48
Cash surrender value of stockholder's life insurance	56,858.36
Deposits and other noncurrent assets	<u>5,387.00</u>
Total other assets	<u>766,800.84</u>

**TOTAL ASSETS**

8,536,527.82

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Current Liabilities:

Working capital LOC and Current portion of equip loan	309,031.12
Unearned revenues	1,191,553.02
Accounts payable	2,737,331.27
Accrued expenses and other liabilities	460,912.17
Due to Stockholder	<u>229,230.40</u>
Total current liabilities	<u>4,928,057.98</u>

Long Term Liabilities:

Long Term Notes Payable	<u>248,564.60</u>
Total long term liabilities	<u>248,564.60</u>

**TOTAL LIABILITIES**

5,176,622.58

Stockholders equity:

Common stock; 100,000 share authorized; 10,000 shares issued and outstanding	22,500.00
Retained earnings	<u>3,337,405.23</u>
Total stockholder's equity	<u>3,359,905.23</u>

**TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY**

8,536,527.82

03/13/15  
02:36 PMPay Tel Communications Inc  
Summary Income Statement  
For the Twelve Months Ending December 31, 2014  
Unaudited1  
Summary IS

	<u>YTD</u>
Net Revenues	\$27,277,053.70
Cost of Revenues	<u>(16,367,552.95)</u>
Gross Profit	<u>10,909,500.75</u>
Selling, general and administrative expenses:	
Salaries and related expenses	5,074,931.32
Depreciation and amortization	860,726.13
Professional services	955,487.82
Other	769,064.06
Rents, maintenance and utilities	889,954.47
Computer supplies and support	521,916.57
Telephone and broadband	360,284.89
Property taxes, licenses and insurance	235,381.80
Research and development	<u>73,940.52</u>
Total selling, general and administrative expenses	<u>9,741,687.58</u>
Gain / Loss from operations	<u>1,167,813.17</u>
Other nonoperating expenses	93,949.43
Net income (loss)	<u><u>1,073,863.74</u></u>
Retained earnings at beginning of year	2,475,461.03
Stockholder's distributions	<u>211,919.54</u>
Retained earnings at end of period	<u><u>3,337,405.23</u></u>

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