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Pay Tel Communications Inc
Summary Income Statement
For the Twelve Months Ending December 31, 2015
UNAUDITED

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	<u>YTD</u>
Net Revenues	\$27,702,014.58
Cost of Revenues	<u>(16,273,644.75)</u>
Gross Profit	<u>11,428,369.83</u>
Selling, general and administrative expenses:	
Salaries and related expenses	5,449,532.39
Depreciation and amortization	933,682.94
Professional services	1,436,132.00
Other	963,857.31
Rents, maintenance and utilities	917,220.48
Computer supplies and support	367,991.00
Telephone and broadband	325,319.89
Property taxes, licenses and insurance	372,869.51
Research and development	691.35
Total selling, general and administrative expenses	<u>10,767,296.87</u>
Gain / Loss from operations	<u>661,072.96</u>
Other nonoperating expenses	20,923.71
Net income (loss)	<u><u>640,149.25</u></u>
Retained earnings at beginning of year	3,380,224.95
Stockholder's distributions	<u>1,159,713.47</u>
Retained earnings at end of period	<u><u>2,860,660.73</u></u>

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Pay Tel Communications Inc
"Unaudited Balance Sheet"
For the Twelve Months Ending December 31, 2015

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2015

ASSETS

Current assets:	
Cash	\$1,026,862.35
Net accounts receivable	694,973.95
Prepaid expenses and other receivables	<u>296,157.84</u>
Total current assets	2,017,994.14
Property and equipment, at cost:	
Inmate communications equipment	3,628,679.35
Office furniture, equipment and software	8,856,131.91
Leasehold improvements	1,788,224.34
Vehicles	<u>598,157.24</u>
Total property and equipment	14,871,192.84
Less accumulated depreciation and amortization	<u>(8,637,533.53)</u>
Net property and equipment	<u>6,233,659.31</u>
Other assets:	
Notes receivable from related parties, net	424,661.37
Net deferred contract costs and commissions	493,829.77
Settlement reserve deposits	83,925.71
Cash surrender value of stockholder's life insurance	57,691.52
Deposits and other noncurrent assets	<u>2,350.00</u>
Total other assets	<u>1,062,458.37</u>
TOTAL ASSETS	<u>9,314,111.82</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:	
Working capital LOC and Current portion of equip loan	572,940.90
Current portion of capitalized lease	31,702.44
Unearned revenues	1,138,432.22
Accounts payable	2,953,098.90
Accrued expenses and other liabilities	<u>577,480.65</u>
Total current liabilities	<u>5,273,655.11</u>
Long Term Liabilities:	
Long Term Notes Payable	868,880.00
Long Term Capital Lease Payable	<u>34,374.89</u>
Due to Stockholder	<u>254,041.08</u>
Total long term liabilities	<u>1,157,295.97</u>
TOTAL LIABILITIES	6,430,951.08
Stockholders equity:	
Common stock; 100,000 share authorized; 10,000 shares issued and outstanding	22,500.00
Retained earnings	<u>2,860,660.73</u>
Total stockholder's equity	<u>2,883,160.73</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>9,314,111.82</u>