

Pay Tel Communications Inc
Balance Sheet
For the Twelve Months Ending December 31, 2016
UNAUDITED

ASSETS

Current assets:	
Cash	\$1,342,201.99
Net accounts receivable	\$824,518.43
Prepaid expenses and other receivables	\$301,794.15
Related party notes receivable and advances	\$209,971.69
Total current assets	\$2,678,486.26
Property and equipment, at cost:	
Inmate communications equipment	\$5,693,652.33
Office furniture, equipment and software	\$7,894,091.94
Leasehold improvements	\$1,788,224.34
Vehicles	\$683,241.82
Less accumulated depreciation and amortization	(\$10,115,385.94)
Net property and equipment	\$5,943,824.49
Other assets:	
Net deferred contract costs and commissions	\$386,210.01
Settlement reserve deposits	\$76,098.85
Cash surrender value of stockholder's life insurance	\$57,268.75
Deposits and other noncurrent assets	\$1,312.50
Total other assets	\$520,890.11
TOTAL ASSETS	\$9,143,200.86

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:	
Working capital LOC and Current portion of equip loan	\$289,705.20
Current portion of capitalized lease	\$140,346.96
Accounts payable	\$2,274,756.35
Accrued expenses and other liabilities	\$579,590.26
Unearned revenues	\$1,118,153.79
Total current liabilities	\$4,402,552.57
Long Term Liabilities:	
Long Term Notes Payable	\$669,406.15
Long Term Capital Lease Payable	\$107,463.94
Due to Stockholder	\$254,071.63
Total long term liabilities	\$1,030,941.72
TOTAL LIABILITIES	\$5,433,494.29
Stockholders equity:	
Common stock; 100,000 share authorized; 10,000 shares issued and outstanding	\$22,500.00
Retained earnings	\$3,687,206.57
Total stockholder's equity	\$3,709,706.57
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$9,143,200.86

Pay Tel Communications Inc
Income Statement
For the Twelve Months Ending December 31, 2016
UNAUDITED

Net Revenues	\$27,105,367.48
Cost of Revenues	(15,380,050.37)
Gross Profit	11,725,317.11
Selling, general and administrative expenses:	
Salaries and related expenses	5,764,195.56
Professional services	1,227,762.57
Depreciation and amortization	838,159.36
Rents, maintenance and utilities	836,370.04
Computer supplies and support	488,598.20
Travel	354,408.27
Property taxes, licenses and insurance	340,144.82
Florida sales and use tax	(199,904.00)
Telephone and broadband	182,875.31
Marketing	161,383.36
Publications, postage and printing	128,432.92
Other	150,836.14
Charitable contributions	140,088.66
Total selling, general and administrative expenses	10,413,351.21
Gain / Loss from operations	1,311,965.90
Other nonoperating expenses	129,408.67
Net income (loss)	1,182,557.23
Retained earnings at beginning of year	2,697,383.19
Stockholder's distributions	192,733.85
Retained earnings at end of period	3,687,206.57