

Pay Tel Communications, Inc.

Balance Sheet
For the Month Ending December 31, 2017

ASSETS	12/31/2017
Current Assets	
Cash	\$2,880,759
Accounts Receivable-Net	\$907,844
Deposits & Prepays	\$425,428
Total Current Assets	\$4,214,031
Fixed Assets	
Inventory	\$195,226
Assets in Progress	\$172,937
Property & Equipment - Net	\$4,950,799
Total Fixed Assets	\$5,318,962
Other Assets	
Loan to Irrevocable Trust	\$254,708
A/R - Officer Life Insurance	\$55,706
Advances to Stockholder -	\$65,213
Patents	\$0
Loan Origination Fees - Net	\$1,575
Prepaid Client Commissions - Net	\$15,983
Prepaid Sales Commissions - Net	\$355,082
Prepaid Contract Expenses - Net	\$37,813
A/R - Bad Debt Retainage	\$0
Total Other Assets	\$655,655
Total Assets	\$10,188,649
LIABILITIES	
Current Liabilities	
Accounts Payable	\$1,342,033
Unearned Revenue	\$1,324,992
Salaries Payable	\$383,270
Taxes Payable	\$334,210
Contract Commitments	\$46,343
Accrued Expenses	\$1,125,086
Chargeback Reserve	\$17,160
Unclaimed Revenue - Net	\$10,793
Bad Debt Deferred Liability	\$10,382
S/T Notes Payable	\$321,120
S/T Capital Lease Payable	\$108,476
Total Current Liabilities	\$5,023,865
Long Term Liabilities	
Loan from Shareholder	\$352,663
L/T Capital Lease Payable	\$8,531
L/T Notes Payable	\$286,554
Total Long Term Liabilities	\$647,748
Total Liabilities	\$5,671,613
EQUITY	
Common Stock	\$10,000
Additional Paid in Capital	\$12,500
Stockholders Distribution (Taxes) -	\$678,408
Retained Earnings	\$3,109,778
Total Stockholder's Equity	\$2,453,870
Year to Date Net Income	\$2,063,166
Total Liabilities and Stockholders Equity	\$10,188,649

Pay Tel Communications, Inc.**Income Statement**

For the Year Ending December 31, 2017

	2017 YTD
	Actual
REVENUES	
In House Revenue	\$14,358,856
Debit Revenue	\$10,979,083
Prepaid Card Revenue	\$492,734
LEC Billed Revenue	\$0
Payment Fee Revenue	\$2,988,701
Prepaid Card Breakage Revenue	\$620,432
Bill Fee Revenue	\$0
Other Revenue	\$130,825
Total Revenue	\$29,570,632
COST OF SALES	
Facility Support	
Wages & Related Expenses	\$503,311
Travel, Meals & Lodging	\$89,316
Other Employee Expense	\$14,874
Repairs	\$272,709
Freight	\$18,489
Telephone/DSL/T1/SIP	\$1,434,227
Inmate Phone Supplies	\$78,517
Loss on Inventory	\$244
Total Facility Support Expense	\$2,411,686
Facility Overhead	
Client Commissions	\$10,310,644
Third Party Expense	\$852,893
Billing & Collection Expense	\$1,498,629
Call Center Expense	\$186,151
Bad Debt	\$88,541
Post Billing Adjustments	\$6,106
Total Facility Overhead Expense	\$12,942,964
Total Cost of Sales	\$15,354,650
GROSS PROFIT	\$14,215,981
SELLING, GENERAL & ADMIN	
Salaries & Related Expenses	\$6,491,480
Other Employee Expenses	\$299,765
Outside Labor	\$68,969
Accounting Services	\$90,296
Travel & Entertainment Expense	\$316,340
Service Fees	\$13,424
Charitable Donations & Gifts	\$233,691
Computer Licenses & Maintenance	\$382,912
Headquarters Internet Expense	\$67,344

For Pay Tel Management Only**Do Not Disseminate**

Computer Supplies	\$24,296
Consulting Expense	\$677,443
Dues	\$103,247
Equipment Lease	\$8,672
Equipment Maintenance & Supplies	\$19,422
Freight	\$14,280
Insurance - General	\$122,059
Legal Expenses	\$480,708
Marketing Expense	\$167,739
Office/Building Supply Expense	\$43,527
Postage	\$30,889
Printing Expense	\$23,007
Taxes & Regulatory Fees	\$257,074
Telephone Service	\$120,418
Disaster Recovery Expense	\$101,632
Rent	\$423,154
Repairs & Maintenance	\$221,622
Utilities	\$128,000
Other Expense	\$5,160
Allocated Overhead -	\$875,456
Total Selling, General & Admin	\$10,061,113
EBITDA	\$4,154,869
OTHER INCOME AND EXPENSE	
Depreciation & Amortization	\$2,023,383
Interest Expense	\$35,602
Other Non Operating Expense	\$32,718
Total Other Income & Expense	\$2,091,702
EBT (Earnings Before Taxes)	\$2,063,166