

Pay Tel Communications, Inc.
4230 Beechwood Drive
Greensboro, NC 27410

March 26, 2020
Via Email

Alabama Public Service Commission
Dee.Newman@psc.alabama.gov;
Tom.Jones@psc.alabama.gov;
Darrell.Baker@psc.alabama.gov

RE: AL Annual Financial Statements - INMATE

Dear Sir or Madam:

Please find financial statements for Pay Tel Communications, Inc. for their fiscal year ended 2019 attached. This information is being supplied to you in compliance with the Alabama Public Service Commission requirement for Annual Report submission.

A copy of this report has been emailed to Dee.Newman@psc.alabama.gov, Tom.Jones@psc.alabama.gov and Darrell.Baker@psc.alabama.gov.

Questions pertaining to this filing should be addressed to my attention at 407-659-8754. Thank you for your assistance.

Sincerely,

Domingo Chaluisant
Compliance Reporting Specialist I

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

Pay Tel Communications, Inc.

Balance Sheet

ASSETS	12/31/2019
Current Assets	
Cash	663,408
Accounts Receivable-Net	1,006,814
Deposits & Prepaids	247,897
Total Current Assets	<u>1,918,119</u>
Fixed Assets	
Inventory	674,184
Assets in Progress	1,353,387
Property & Equipment - Net	<u>5,375,893</u>
Total Fixed Assets	7,403,464
Other Assets	
Loan to Irrevocable Trust	180,265
A/R - Officer Life Insurance	48,810
Advances to Stockholder	-
Patents	-
Loan Origination Fees - Net	-
Prepaid Client Commissions - Net	472,382
Prepaid Sales Commissions - Net	476,342
Prepaid Contract Expenses - Net	47,072
A/R - Bad Debt Retainage	-
Total Other Assets	<u>1,224,870</u>
Total Assets	<u>10,546,453</u>

LIABILITIES

Current Liabilities	
Accounts Payable	947,890
Unearned Revenue	547,549
Salaries Payable	440,902
Taxes Payable	205,748
Contract Commitments	54,843
Accrued Expenses	1,248,081
Chargeback Reserve	4,504
Unclaimed Revenue - Net	6,689
Bad Debt Deferred Liability	21,930
S/T Notes Payable	530,463
S/T Capital Lease Payable	153,428
Total Current Liabilities	4,162,028

Pay Tel Communications, Inc.

Balance Sheet

Long Term Liabilities	
Loan from Shareholder	354,964
L/T Capital Lease Payable	-
L/T Notes Payable	<u>1,219,537</u>
Total Long Term Liabilities	1,574,501
Total Liabilities	5,736,529

EQUITY

Common Stock	10,000
Additional Paid in Capital	12,500
Stockholders Distribution (Taxes)	(40,262)
Retained Earnings	<u>4,489,333</u>
Total Stockholder's Equity	4,471,572
Year to Date Net Income	338,353
Total Liabilities and Stockholders Equity	<u>10,546,453</u>

Pay Tel Communications, Inc.

Income Statement

REVENUE	2019
In House Revenue	\$12,292,841
Debit Revenue	\$12,566,663
Prepaid Card Revenue	\$372,959
Video Visitation Revenue	\$488,602
Messaging Revenue	\$338,885
Prepaid Card Breakage Revenue	\$851,076
Fee Revenue	\$3,523,024
Total Revenue	\$30,434,050
COST OF SALES	
Facility Support	
Wages & Related Expenses	\$951,241
Travel, Meals & Lodging	\$210,650
Other Employee Expense	\$12,889
Repairs	\$437,893
Freight	\$28,950
Telephone/DSL/T1/SIP	\$1,124,732
Inmate Phone Supplies	\$112,404
Loss on Inventory	\$38,886
Total Facility Support Expense	\$2,917,643
Facility Overhead	
Client Commissions	\$10,884,757
Third Party Expense	\$1,235,813
Billing & Collection Expense	\$1,513,361
Call Center Expense	\$177,592
Bad Debt	\$79,964
Post Billing Adjustments	\$7,633
Total Facility Overhead Expense	\$13,899,120
Total Cost of Sales	\$16,816,763
GROSS PROFIT	\$13,617,287

Pay Tel Communications, Inc.

Income Statement

SELLING, GENERAL & ADMIN

Salaries & Related Expenses	\$7,671,895
Other Employee Expenses	\$400,879
Outside Labor	\$305,809
Accounting Services	\$100,903
Travel & Entertainment Expense	\$366,478
Service Fees	\$15,759
Charitable Donations & Gifts	\$38,649
Computer Licenses & Maintenance	\$559,955
Headquarters Internet Expense	\$51,969
Computer Supplies	\$43,742
Consulting Expense	\$372,010
Dues & Publications	\$96,929
Equipment Lease	\$8,108
Equipment Maintenance & Supplies	\$17,550
Freight	\$23,278
Insurance - General	\$130,836
Legal Expenses	\$207,055
Marketing Expense	\$207,041
Office/Building Supply Expense	\$109,648
Postage	\$7,342
Printing Expense	\$8,033
Taxes & Regulatory Fees	\$219,395
Telephone Service	\$110,902
Disaster Recovery Expense	\$113,607
Rent	\$383,714
Repairs & Maintenance	\$218,620
Utilities	\$126,453
Other Expense	\$83,258
Allocated Overhead	-\$897,472

Total Selling, General & Admin **\$11,102,346**

EBITDA **\$2,514,941**

OTHER INCOME AND EXPENSE

Depreciation & Amortization	\$2,082,722
Interest Expense	\$30,032
Other Non Operating Expense	\$63,835

Total Other Income & Expense **\$2,176,589**

EBT (Earnings Before Tax) **\$338,353**