

# Fowler, Maxwell & Company, P.C.

Preliminary



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Certified Public Accountant

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To the Board of Directors:  
ATN, INC  
913 DILWORTH ST  
SAINT MARYS, GA 31558

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Management is responsible for the accompanying financial statements of ATN, INC (a corporation), which comprise the statement of assets, liabilities and equity - tax basis as of December 31, 2018 and the related statement of revenues and expenses - tax basis for the year then ended, and for determining that the tax basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The tax basis of accounting requires that the Company record a federal income tax provision. Management has informed us that the Company has not recorded such a provision. Management has not determined the effect of this departure on the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to ATN, INC.

*Fowler, Maxwell & Company, P.C.*

Fowler, Maxwell & Company, P. C.  
February 27, 2019

#### MEMBERS

American Institute of Certified Public Accountants  
Georgia Society of Certified Public Accountants

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**ATN, INC**  
**Statement of Assets, Liabilities, and Equity**  
**Tax Basis**  
**As of December 31, 2018**

Preliminary

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**ASSETS**

<b>CURRENT ASSETS</b>	
Cash in Bank - SE Bank-Savings	\$ 28,306.30
Cash in Bank - SE Checking 3186	139,432.43
Petty Cash	195.92
Acct Rec Debit Cards	71,612.70
Acc Rec Prepay Receipts CSA	84,451.87
Employee Advance	2,295.00
Prepaid Taxes	<u>7,364.46</u>
<b>Total Current Assets</b>	<u>333,658.68</u>
<b>PROPERTY AND EQUIPMENT</b>	
Signs	1,165.46
Automobiles & Trucks	215,157.38
Machinery & Equipment	552,388.14
Machinery & Equipment- Kiosk	339,134.89
Furniture & Fixtures	26,789.84
Accumulated Depreciation	(1,022,296.13)
Accumulated Depreciation- Kiosk	<u>(88,611.85)</u>
<b>Net Property and Equipment</b>	<u>23,727.73</u>
<b>OTHER ASSETS</b>	
Note Receivable- Customer Svc of America	336,028.22
Organizational Cost	1,000.00
Investment-CSA	<u>120,000.00</u>
<b>Net Other Assets</b>	<u>457,028.22</u>
<b>TOTAL ASSETS</b>	<u>\$ 814,414.63</u>

See Accountants' Compilation Report

**ATN, INC**  
**Statement of Assets, Liabilities, and Equity**  
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**As of December 31, 2018**

**Preliminary**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

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<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 209,589.56
State W/H Payable	2,267.65
FUTA Payable	33.00
SUTA Payable	4.21
Insurance	4,744.46
SC- USF Contribution Collected	15,809.65
GA UAF Surcharge Payable	16,398.31
AL-Utility Gross Receipt Tax	1,953.46
Sales Tax Payable	635.00
Note Payable-Credit Cards	2,898.51
Note Payable- Wyman Westberry	59,872.02
Note Payable- SE Bank LOC	<u>44,274.92</u>
<b>Total Current Liabilities</b>	<u><u>358,480.75</u></u>
<b>STOCKHOLDERS' EQUITY</b>	
Common Stock	500.00
Add'l Paid in Capital	500.00
Retained Earnings	1,190,573.14
Treasury Stock	(815,900.00)
Current Net Income(Loss)	<u>80,260.74</u>
<b>Total Stockholders' Equity</b>	<u><u>455,933.88</u></u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 814,414.63</u></u>

**ATN, INC**  
**Statement of Revenues and Expenses**  
**Tax Basis**

**Preliminary**

	12 Months Ended December 31, 2018	%
<b>Revenues</b>		
Fees	\$ 3,805,457.72	97.88 %
Commissions	20,879.49	0.54
Commissions- Kiosk	47,275.51	1.22
Inmate Commissary Calls	581.92	0.01
PREA Fees Charged	14,607.00	0.38
Returns & Allowances	(157.50)	0.00
Discounts	(1,120.00)	(0.03)
Other Income	269.13	0.01
<b>Total Revenues</b>	<b>3,887,793.27</b>	<b>100.00</b>
<b>Cost of Goods Sold</b>		
Supplies	349.45	0.01
Commissions	2,058,360.65	52.94
Commissions- Kiosk	51,460.24	1.32
Independent Contractors	1,650.00	0.04
Telephone	308,814.71	7.94
Telephone- Kiosk	8,100.00	0.21
Platform Fees	534,256.09	13.74
Validation Expense	4,666.34	0.12
<b>Total Cost of Goods Sold</b>	<b>2,967,657.48</b>	<b>76.33</b>
<b>Total Gross Profit</b>	<b>920,135.79</b>	<b>23.67</b>
<b>Operating Expenses</b>		
Advertising	9,015.11	0.23
Auto and Truck Expense	18,920.38	0.49
Contributions	1,300.00	0.03
Depreciation	5,615.16	0.14
Section 179 Expense	10,000.00	0.26
Depreciation - Kiosk	3,328.85	0.09
Dues & Subscriptions	922.45	0.02
Entertainment & Meals	5,265.70	0.14
Equipment Rental	5,119.80	0.13
Insurance	67,451.15	1.73
Health Insurance	26,133.76	0.67
Interest	2,596.76	0.07
Contracted Professional Svc	4,440.00	0.11
Janitorial Expense	615.96	0.02
Legal & Accounting	15,967.70	0.41
Licenses & Fees	14,531.69	0.37
Employee Relations	844.82	0.02
Office Expense	22,832.12	0.59
Freight	4,265.05	0.11
Freight- Kiosk	42.50	0.00

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**Statement of Revenues and Expenses**  
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	12 Months Ended December 31, 2018	%
Postage	3.65	0.00
Rent	13,800.00	0.35
Repairs & Maintenance	6,992.83	0.18
Penalties	227.45	0.01
Salaries & Wages	298,656.50	7.68
Salaries-Officer	159,576.22	4.10
Salaries - Officer Bonus	2,500.00	0.06
Supplies	3,650.00	0.09
Taxes - Property	1,152.81	0.03
Taxes - Payroll	33,423.66	0.86
Taxes - Other	39,154.91	1.01
Telephone	11,523.99	0.30
Travel	11,543.07	0.30
Utilities	21,793.66	0.56
<b>Total Operating Expenses</b>	<b>823,207.71</b>	<b>21.17</b>
<b>Operating Income (Loss)</b>	<b>96,928.08</b>	<b>2.49</b>
<b>Other Income (Expense)</b>		
Collection Tax Allowance	60.58	0.00
Interest Income	73.08	0.00
Federal Income Taxes	(15,874.00)	(0.41)
State Income Tax	(927.00)	(0.02)
<b>Total Other Income (Expense)</b>	<b>(16,667.34)</b>	<b>(0.43)</b>
<b>Net Income (Loss)</b>	<b>\$ 80,260.74</b>	<b>2.06 %</b>