

March 27, 2019

**VIA OVERNIGHT DELIVERY**

Judge John A. Garner  
Executive Director  
Alabama Public Service Commission  
RSA Union  
100 North Union Street  
Montgomery, AL 36104

Re: Securus Technologies, Inc.  
Annual Financial Statements

Dear Judge Garner,

Please find enclosed the preliminary consolidated balance sheet and statement of operations for Securus Technologies Holdings, LLC, parent company to Securus Technologies, Inc. ("Securus") to comply with the annual reporting requirements in Section 37-1-57 in the Code of Alabama, 1975 and Rule T-22, paragraphs (I) through (K) of the Commission's Telephone Rules. The preliminary annual financial statements for Securus for the year ending December 31, 2018 are provided.

Securus' final audited financial statements for the year ending December 31, 2018 are not yet complete. Securus will supplement this report with the audited financial statements when they are available. We anticipate those statements will be ready by the end of April 2019.

Securus sincerely appreciates your attention to this matter. Should you have any questions or concerns regarding the information provided herein, please do not hesitate to contact Debbie Conde, Senior Regulatory Analyst, at (972) 277-0395 or [dconde@securustechnologies.com](mailto:dconde@securustechnologies.com). You may also contact Michael S. J. Lozich, Sr. Corporate Counsel & Director of Regulatory and Governmental Affairs at (972) 277-0565 or [mlozich@securustechnologies.com](mailto:mlozich@securustechnologies.com).

Respectfully submitted,



**Geoffrey Boyd**  
Chief Financial Officer



**UNAUDITED**

**Securus Technologies Holdings, LLC (formerly Securus Technologies Holdings, Inc.)**

**PRELIMINARY**

**Consolidated Balance Sheets, Unaudited  
(Dollars In Thousands, Except Per Share Amounts)**

<b>ASSETS</b>	December 31, 2018	December 31, 2017
Current assets:		
Cash and cash equivalents	\$ 12,890	\$ 53,954
Restricted cash	6,923	8,236
Account receivable, net	35,916	41,701
Inventory	11,466	5,896
Prepaid expenses and other current assets	18,222	19,210
Total current assets	85,417	128,997
Property and equipment, net	155,450	131,975
Intangibles and other assets, net	783,741	776,675
Goodwill	1,021,923	987,778
Total assets	\$ 2,046,531	\$ 2,025,425
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 26,556	\$ 19,421
Accrued liabilities	63,359	90,858
Deferred revenue and customer advances	35,339	27,052
Current portion of long-term debt	10,202	9,450
Total current liabilities	135,456	146,781
Deferred income taxes	131,073	140,163
Long-term debt	1,294,791	1,218,336
Other long-term liabilities	3,555	6,945
Total liabilities	1,564,875	1,512,225
Commitments and contingencies (see Note 10)		
Member's equity:		
Member's capital	445,501	445,501
Retained earnings	36,155	67,699
Total member's equity	481,656	513,200
Total liabilities and member's equity	\$ 2,046,531	\$ 2,025,425

Securus Technologies Holdings, LLC (formerly Securus Technologies Holdings, Inc.)

Consolidated Statements of Operations, Unaudited  
(Dollars In Thousands)

**PRELIMINARY**

	Successor		Predecessor
	For the Year Ended December 31, 2018	For the Period from November 1 to December 31, 2017	For the Period from January 1 to October 31, 2017
Revenue:			
Inmate telecommunications and investigative products	\$ 419,913	\$ 69,872	\$ 351,698
Media and communications services	88,944	11,910	50,060
Payment services	143,746	20,272	93,261
Electronic monitoring services	31,085	5,348	25,579
<b>Total revenue</b>	<b>683,688</b>	<b>107,402</b>	<b>520,598</b>
Operating costs and expenses:			
Cost of service	311,843	47,621	225,341
Selling, general and administrative expenses	195,606	36,562	155,668
Depreciation and amortization expense	91,836	11,282	83,978
Goodwill impairment	11,628	-	-
Transaction expenses	18,370	220	55,043
<b>Total operating costs and expenses</b>	<b>629,283</b>	<b>95,685</b>	<b>520,030</b>
<b>Operating income</b>	<b>54,405</b>	<b>11,717</b>	<b>568</b>
Interest and other expenses, net	104,494	14,165	44,631
Impairment of deferred loan costs	-	-	12,380
<b>Income (loss) before income taxes</b>	<b>(50,089)</b>	<b>(2,448)</b>	<b>(56,443)</b>
Income tax expense (benefit)	(16,732)	(70,147)	(14,588)
<b>Net income (loss)</b>	<b>\$ (33,357)</b>	<b>\$ 67,699</b>	<b>\$ (41,855)</b>