

T E L E C O M
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P R O F E S S I O N A L S , I N C .

Judith A. Riley, J.D.

12316 Hidden Forest Blvd.
Oklahoma City, Ok 73142

April 24, 2019

Via UPS Overnight Delivery

Mr. Darrell Baker
Director, Utility Services Division
Alabama Public Service Commission
100 N. Union Street
Montgomery, AL 36104-3702

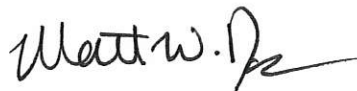
Re: Combined Public Communications, LLC
Annual Reporting Information

Dear Mr. Baker,

On March 26, 2019, we emailed the PSC and requested up to and including May 1, 2019 to file Combined Public Communications, LLC's Alabama Annual Report, specifically the filing of their year-end financial statements. We received the financial statements today and are therefore overnighting them immediately. Enclosed please find a copy of the 2018 financial statements for Combined Public Communications, LLC, as required for the Alabama PSC Annual Information reporting.

Please direct any questions you may have to me by phone at 405-755-8177 ext. 2103 or by email at mdean@telecompliance.net.

Sincerely,



Matt W. Dean
Regulatory Agent



Enclosure

CLIENT TELEPHONE SOLUTIONS, LLC
CONSOLIDATED BALANCE SHEETS

CONFIDENTIAL

ASSETS

	December 31,	
	2018	2017
Current Assets		
Cash	\$ 249,672	\$ 1,558,744
Accounts Receivable	1,219,487	1,037,408
Inventory	717,086	433,510
Prepaid Expenses	128,472	88,455
Total Current Assets	2,314,717	3,118,117
Property and Equipment		
Computers and Equipment	8,212,721	7,141,228
Furniture and Fixtures	164,918	149,336
Vehicles	1,138,007	1,015,806
Leasehold Improvements	749,604	435,871
Software and Website Development	6,336,028	1,978,198
Software Under Development	249,863	-
	16,851,141	10,720,439
Less Accumulated Depreciation	9,379,577	7,631,725
Total Property and Equipment	7,471,564	3,088,714
Other Assets		
Intangibles Subject to Amortization, Net	1,890,012	1,006,501
Goodwill, Net	4,714,808	5,067,899
Deposits	14,165	7,915
Total Other Assets	6,618,985	6,082,315
Total Assets	\$ 16,405,266	\$ 12,289,146

See accompanying notes.

CLIENT TELEPHONE SOLUTIONS, LLC
CONSOLIDATED BALANCE SHEETS
(Continued)

LIABILITIES AND MEMBERS' DEFICIT

CONFIDENTIAL

	December 31,	
	2018	2017
Current Liabilities		
Line of Credit	\$ 409,266	\$ 565,000
Notes Payable	1,186,603	1,212,330
Deferred Revenue	809,072	920,051
Accounts Payable		
Trade - Net	640,123	616,968
Credit Cards	349,490	69,403
Accrued Expenses	3,238,903	1,950,792
Settlement Liability	128,571	128,571
Total Current Liabilities	6,762,028	5,463,115
Long-Term Liabilities (Less Current Portion)		
Accrued Expenses	249,863	-
Notes Payable	21,978,619	20,395,481
Settlement Liability	39,592	150,535
Total Long-Term Liabilities	22,268,074	20,546,016
Total Liabilities	29,030,102	26,009,131
Members' Deficit	(12,624,836)	(13,719,985)
Total Liabilities and Members' Deficit	\$ 16,405,266	\$ 12,289,146

See accompanying notes.

CLIENT TELEPHONE SOLUTIONS, LLC
CONSOLIDATED STATEMENTS OF INCOME

CONFIDENTIAL

	Years Ended December 31,	
	2018 (Audited)	2017 (Unaudited)
Sales	\$ 40,988,133	\$ 31,672,050
Cost of Sales	<u>26,966,228</u>	<u>20,404,479</u>
Gross Profit	<u>14,021,905</u>	<u>11,267,571</u>
Operating Expenses		
Selling Expenses	2,118,152	1,637,274
General and Administrative Expenses	<u>4,741,312</u>	<u>3,314,893</u>
Total Operating Expenses	<u>6,859,464</u>	<u>4,952,167</u>
Income from Operations	7,162,441	6,315,404
Other Expenses	<u>5,069,404</u>	<u>2,989,664</u>
Net Income	<u>\$ 2,093,037</u>	<u>\$ 3,325,740</u>

See accompanying notes.