



February 1, 2021

Alabama Public Service Commission

RE: Financial Statements, Inmate Calling Solutions, LLC dba ICSolutions

Dear Sir or Madam:

Please find attached the 2020 Inmate Calling Solutions, LLC (ICS) Financial Statement. Inmate Calling Solutions, LLC is a privately held company; therefore, we ask that you keep these financial statements in the strictest confidence.

ICS's financial statements contain confidential and privileged information regarding ICS's financial position which, if made publically available, would cause irreparable harm to its competitive market position.

Feel free to contact me at 314.214.2700 or by e-mail at cpingel@tkcholdings.com.

Sincerely,

Carrie L. Pingel

Vice President
Controller

Inmate Calling Solutions, LLC

Unaudited Consolidated Statement of Income

	Fiscal Year ended December 31, 2020
Revenues	\$ 158,427,198
Cost of sales	<u>116,096,148</u>
Gross profit	42,331,050
Expenses:	
Selling	4,415,126
General and administrative	28,705,351
Transaction costs	<u>1,405,725</u>
Total expenses	<u>34,526,202</u>
Operating income	7,804,848
Other expense:	
Corporate service charge	<u>15,368,986</u>
Loss before taxes	(7,564,138)
Benefit from income taxes	<u>(555,113)</u>
Net loss	<u><u>\$ (7,009,025)</u></u>

Provided to Alabama Public Service Commission

Inmate Calling Solutions, LLC

Unaudited Consolidated Balance Sheet

	<u>December 31, 2020</u>
Assets	
Current assets:	
Accounts receivable, trade	\$ 8,814,036
Notes receivable	5,000
Prepaid expenses and other assets	<u>3,071,265</u>
Total current assets	11,890,301
Property and equipment:	
Equipment	20,099,523
Computer software	1,757,120
Furniture and fixtures	1,017,141
Leasehold improvements	54,370
Capital leases	26,092
Assets under construction	<u>2,076,649</u>
	25,030,895
Less accumulated depreciation	<u>(15,322,239)</u>
Property and equipment, net	9,708,656
Goodwill	101,425,000
Other intangible assets, net	72,859,580
Other assets	<u>1,713,625</u>
Total non-current assets	185,706,861
Total assets	<u>\$ 197,597,162</u>
	<u>December 31, 2020</u>
Liabilities and member's investment	
Current liabilities:	
Accounts payable and accrued expenses	\$ 21,018,118
Accrued salaries and commissions	<u>101,112</u>
Total current liabilities	21,119,230
Long-term liabilities:	
Capital lease obligation	16,695
Net intercompany- due to parent	<u>22,190,685</u>
Total long-term liabilities	22,207,380
Member's investment	154,270,552
Total liabilities and member's investment	<u>\$ 197,597,162</u>

Note: Excess cash is swept to TKC Holdings, parent company. Checks in excess of bank balance are reported within accounts payable and accrued expenses on the balance sheet.

Inmate Calling Solutions, LLC

Unaudited Consolidated Statement of Members' Equity

Balance, December 26, 2019	<u>\$</u> <u>161,279,577</u>
Net loss	<u>(7,009,025)</u>
Balance, December 31, 2020	<u>\$</u> <u>154,270,552</u>

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