

Network Communications International Corp d/b/a NCIC Inmate
Communications
607 East Whaley Street
Longview, TX 75601

March 22, 2019
Via Overnight Delivery

Mr. Mac McArthur
Alabama Public Service Commission
100 North Union, Suite 950
Montgomery, AL 36104

RE: AL Annual Financial Statements - INMATE

Dear Mr. McArthur:

Enclosed please find financial statements for Network Communications International Corp d/b/a NCIC Inmate Communications for their fiscal year ended 2018. 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.Stroud@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 407-659-8757.
Thank you for your assistance.

Sincerely,

Priscilla Feliciano
Compliance Reporting Specialist

enclosures

cc: Stephanie Jackson, Network Communications International Corp d/b/a NCIC
Inmate Communications
file: Network Communications International Corp - Reporting- Alabama

**NETWORK COMMUNICATIONS INTERNATIONAL CORPORATION
INTERNATIONAL CALLING SERVICES CORPORATION AND
POPE AND WALTERS, LLC
COMBINED BALANCE SHEETS
December 31**

Assets		
	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and cash equivalents	\$ 981,541	\$ 245,267
Trade accounts receivable	1,246,357	984,036
Materials and supplies	460,798	-0-
Prepaid expenses and other current assets	<u>186,625</u>	<u>287,595</u>
Total Current Assets	<u>2,875,321</u>	<u>1,516,898</u>
Property, Plant, and Equipment:		
Plant in service	5,495,995	4,716,859
Less: Accumulated depreciation	<u>(2,708,761)</u>	<u>(2,491,001)</u>
Net Property, Plant, and Equipment	<u>2,787,234</u>	<u>2,225,858</u>
Noncurrent Assets:		
Intangibles, net of accumulated amortization	2,119,200	2,617,860
Other noncurrent assets	<u>180,496</u>	<u>49,129</u>
Total Noncurrent Assets	<u>2,299,696</u>	<u>2,666,989</u>
Total Assets	<u>\$ 7,962,251</u>	<u>\$ 6,409,745</u>

(The accompanying notes are an integral part of these combined financial statements.)

NETWORK COMMUNICATIONS INTERNATIONAL CORPORATION
INTERNATIONAL CALLING SERVICES CORPORATION AND
POPE AND WALTERS, LLC
COMBINED BALANCE SHEETS
December 31

Liabilities and Stockholders' and Members' Equity		
	<u>2018</u>	<u>2017</u>
Current Liabilities:		
Income taxes accrued	\$ 196,800	\$ 44,993
Current maturities of long-term debt	49,794	47,845
Current maturities under intangible agreements	515,938	510,516
Accounts payable	1,792,244	1,562,397
Accrued expenses	711,541	679,260
Deferred revenue	<u>670,178</u>	<u>644,195</u>
Total Current Liabilities	<u>3,936,495</u>	<u>3,489,208</u>
Noncurrent Liabilities:		
Deferred income taxes	9,541	10,068
Long-term debt	556,712	606,491
Obligations under intangible agreements	<u>464,847</u>	<u>979,447</u>
Total Noncurrent Liabilities	<u>1,031,100</u>	<u>1,596,006</u>
Stockholders' and Members' Equity:		
Common stock	11,800	11,800
Additional paid-in capital	414,754	414,754
Retained earnings/Members' equity	<u>2,568,102</u>	<u>897,979</u>
Total Stockholders' and Members' Equity	<u>2,994,656</u>	<u>1,324,533</u>
Total Liabilities and Stockholders' and Members' Equity	<u>\$ 7,962,251</u>	<u>\$ 6,409,745</u>

(The accompanying notes are an integral part of these combined financial statements.)

**NETWORK COMMUNICATIONS INTERNATIONAL CORPORATION
INTERNATIONAL CALLING SERVICES CORPORATION AND
POPE AND WALTERS, LLC
COMBINED STATEMENTS OF OPERATIONS
For the Years Ended December 31**

	<u>2018</u>	<u>2017</u>
Revenues:		
Telecommunication services	\$ 39,308,084	\$ 32,049,279
Other	26,508	8,045
Total Revenues	<u>39,334,592</u>	<u>32,057,324</u>
Expenses:		
Commissions expense	18,613,189	15,677,841
Origination fees	1,247,615	1,025,873
Operator costs	1,448,918	1,307,800
Facility costs	2,824,038	2,332,967
Billing and collection costs	833,379	845,789
Administrative salaries and benefits	5,397,830	7,082,886
Depreciation and amortization	636,087	633,860
Selling, general and administrative expenses	3,440,230	2,540,008
Total Expenses	<u>34,441,286</u>	<u>31,446,824</u>
Operating Income	<u>4,893,306</u>	<u>610,500</u>
Other Income (Expense):		
Interest expense	(60,812)	(66,076)
Other income (expense)	3,136	(4,296)
Total Other Expense	<u>(57,676)</u>	<u>(70,372)</u>
Income Before Income Taxes	4,835,630	540,128
Income Taxes	<u>(220,545)</u>	<u>(34,756)</u>
Net Income	<u>\$ 4,615,085</u>	<u>\$ 505,372</u>

(The accompanying notes are an integral part of these combined financial statements.)