

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

April 1, 2020  
**Via Overnight Delivery**

Ms. Dee Newman (Email)  
Alabama Public Service Commission

Dee.Newman@psc.alabama.gov,

RE: AL Annual Financial Statements  
Authority Type: OSPR

Dear Ms. Newman:

Enclosed please find financial statements for Network Communications International Corp d/b/a NCIC Inmate Communications for their fiscal year ended 2019. This information is being supplied to you in compliance with the Alabama Public Service Commission requirement for Annual Report submission.

Please acknowledge receipt of this filing by returning, file stamped, the extra copy of this cover letter in the self-addressed, stamped envelope provided.

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 I

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>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 771,250	\$ 981,541
Trade accounts receivable	1,373,997	1,246,357
Materials and supplies	325,476	460,798
Contract assets	2,424,474	-
Prepaid expenses and other current assets	<u>369,956</u>	<u>340,245</u>
Total Current Assets	<u>5,265,153</u>	<u>3,028,941</u>
<b>Property, Plant, and Equipment:</b>		
Plant in service	5,658,320	5,495,995
Less: Accumulated depreciation	<u>(2,873,964)</u>	<u>(2,708,761)</u>
Net Property, Plant, and Equipment	<u>2,784,356</u>	<u>2,787,234</u>
<b>Noncurrent Assets:</b>		
Intangibles, net of accumulated amortization	1,620,540	2,119,200
Noncurrent contract assets	2,417,041	-
Other noncurrent assets	<u>52,240</u>	<u>26,876</u>
Total Noncurrent Assets	<u>4,089,821</u>	<u>2,146,076</u>
Total Assets	<u>\$ 12,139,330</u>	<u>\$ 7,962,251</u>

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>2019</u>	<u>2018</u>
<b>Current Liabilities:</b>		
Income taxes accrued	\$ 49,815	\$ 196,800
Current maturities of long-term debt	56,760	49,794
Current maturities under intangible agreements	106,782	515,938
Accounts payable	1,835,356	1,792,244
Accrued expenses	878,946	711,541
Contract liabilities	<u>657,377</u>	<u>670,178</u>
Total Current Liabilities	<u>3,585,036</u>	<u>3,936,495</u>
<b>Noncurrent Liabilities:</b>		
Deferred income taxes	9,697	9,541
Long-term debt	297,030	556,712
Obligations under intangible agreements	<u>357,600</u>	<u>464,847</u>
Total Noncurrent Liabilities	<u>664,327</u>	<u>1,031,100</u>
<b>Stockholders' and Members' Equity:</b>		
Common stock	11,800	11,800
Additional paid-in capital	414,754	414,754
Retained earnings/Members' equity	<u>7,463,413</u>	<u>2,568,102</u>
Total Stockholders' and Members' Equity	<u>7,889,967</u>	<u>2,994,656</u>
Total Liabilities and Stockholders' and Members' Equity	<u>\$ 12,139,330</u>	<u>\$ 7,962,251</u>

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

	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
Telecommunication services	\$ 44,260,491	\$ 39,308,084
Other	16,741	26,508
<b>Total Revenues</b>	<u>44,277,232</u>	<u>39,334,592</u>
<b>Expenses:</b>		
Commissions expense	20,593,008	18,613,189
Origination fees	1,574,971	1,247,615
Operator costs	1,619,124	1,448,918
Facility costs	2,812,638	3,024,038
Billing and collection costs	1,136,055	833,379
Administrative salaries and benefits	6,051,299	5,397,830
Depreciation and amortization	625,357	636,087
Selling, general, and administrative expenses	3,344,968	3,240,230
<b>Total Expenses</b>	<u>37,757,420</u>	<u>34,441,286</u>
<b>Operating Income</b>	<u>6,519,812</u>	<u>4,893,306</u>
<b>Other Income (Expense):</b>		
Interest expense	(48,776)	(60,812)
(Losses) gains on investments	(45,471)	-0-
Other income	9,486	3,136
<b>Total Other Expense</b>	<u>(84,761)</u>	<u>(57,676)</u>
<b>Income Before Income Taxes</b>	6,435,051	4,835,630
<b>Income Taxes</b>	<u>(164,538)</u>	<u>(220,545)</u>
<b>Net Income</b>	<u>\$ 6,270,513</u>	<u>\$ 4,615,085</u>