

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

March 23, 2021
Via Email

Alabama Public Service Commission
Dee.Newman@psc.alabama.gov;
Tom.Jones@psc.alabama.gov;
Darrell.Baker@psc.alabama.gov

RE: AL Annual Financial Statements - INMATE

Dear Sir or Madam:

Please find financial statements for Network Communications International Corp d/b/a NCIC Inmate Communications for their fiscal year ended 2020 attached. 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.Newman@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 407-659-8754. Thank you for your assistance.

Sincerely,

Domingo Chalaisant
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>2020</u>	<u>2019</u>
Current Assets:		
Cash and cash equivalents	\$ 3,128,643	\$ 771,250
Trade accounts receivable	1,844,230	1,373,997
Materials and supplies	639,222	325,476
Contract assets	3,162,768	2,424,474
Prepaid expenses and other current assets	<u>581,814</u>	<u>389,956</u>
Total Current Assets	<u>9,356,677</u>	<u>5,285,153</u>
Property, Plant, and Equipment:		
Plant in service	6,178,112	5,658,320
Less: Accumulated depreciation	<u>(3,086,452)</u>	<u>(2,873,964)</u>
Net Property, Plant, and Equipment	<u>3,091,660</u>	<u>2,784,356</u>
Noncurrent Assets:		
Intangibles, net of accumulated amortization	1,128,380	1,620,540
Noncurrent contract assets	2,819,010	2,417,041
Other noncurrent assets	<u>280,955</u>	<u>52,240</u>
Total Noncurrent Assets	<u>4,228,345</u>	<u>4,089,821</u>
Total Assets	<u>\$ 16,676,682</u>	<u>\$ 12,139,330</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>2020</u>	<u>2019</u>
Current Liabilities:		
Income taxes accrued	\$ 12,200	\$ 49,815
Current maturities of long-term debt	-	56,760
Current maturities under intangible agreements	112,838	106,782
Accounts payable	2,640,740	1,835,366
Accrued expenses	866,358	878,946
Contract liabilities	<u>944,883</u>	<u>657,377</u>
Total Current Liabilities	<u>4,577,017</u>	<u>3,585,036</u>
Noncurrent Liabilities:		
Deferred income taxes	9,697	9,697
Long-term debt	-	297,030
Paycheck Protection Program (PPP) loan	1,021,845	-
Obligations under intangible agreements	<u>244,272</u>	<u>357,600</u>
Total Noncurrent Liabilities	<u>1,275,814</u>	<u>664,327</u>
Stockholders' and Members' Equity:		
Common stock	11,800	11,800
Additional paid-in capital	414,754	414,754
Retained earnings/Members' equity	<u>10,397,297</u>	<u>7,463,413</u>
Total Stockholders' and Members' Equity	<u>10,823,851</u>	<u>7,889,967</u>
Total Liabilities and Stockholders' and Members' Equity	<u>\$ 16,676,682</u>	<u>\$ 12,139,330</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>2020</u>	<u>2019</u>
Revenues:		
Telecommunication services	\$ 47,354,189	\$ 44,260,491
Other	3,531	16,741
Total Revenues	<u>47,357,720</u>	<u>44,277,232</u>
Expenses:		
Commissions expense	21,854,707	20,593,008
Origination fees	1,642,103	1,574,971
Operator costs	1,475,340	1,619,124
Facility costs	3,852,858	2,812,638
Billing and collection costs	1,258,560	1,138,055
Administrative salaries and benefits	6,172,301	6,051,289
Depreciation and amortization	626,531	625,357
Selling, general, and administrative expenses	3,220,980	3,344,968
Total Expenses	<u>40,103,380</u>	<u>37,757,420</u>
Operating Income	<u>7,254,340</u>	<u>6,519,812</u>
Other Income (Expense):		
Interest expense	(30,098)	(48,776)
Gains (losses) on marketable equity securities	32,437	(45,471)
Other income	9,178	9,488
Total Other Income (Expense)	<u>11,517</u>	<u>(84,761)</u>
Income Before Income Taxes	7,265,857	6,435,051
Income Taxes	<u>(127,001)</u>	<u>(164,538)</u>
Net Income	<u>\$ 7,138,856</u>	<u>\$ 6,270,513</u>