

**NETWORK COMMUNICATIONS INTERNATIONAL CORPORATION  
AND INTERNATIONAL CALLING SERVICES CORPORATION  
COMBINED BALANCE SHEETS  
December 31**

Assets		
	<u>2014</u>	<u>2013</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 526,584	\$ 326,975
Marketable securities	67,037	-0-
Trade accounts receivable, (net of allowance of \$71,434 in 2014 and \$89,949 in 2013)	514,090	525,228
Prepaid expenses and other current assets	212,842	166,041
Deferred income taxes	<u>27,924</u>	<u>40,688</u>
<b>Total Current Assets</b>	<u><b>1,348,477</b></u>	<u><b>1,058,932</b></u>
<b>Property, Plant, and Equipment:</b>		
Plant in service	3,964,746	3,735,555
Less: Accumulated depreciation	<u>(2,889,182)</u>	<u>(2,587,059)</u>
<b>Net Property, Plant, and Equipment</b>	<u><b>1,075,564</b></u>	<u><b>1,148,496</b></u>
<b>Noncurrent Assets:</b>		
Net intangibles - RTU agreement	933,340	-0-
Other noncurrent assets	<u>106,150</u>	<u>-0-</u>
<b>Total Noncurrent Assets</b>	<u><b>1,039,490</b></u>	<u><b>-0-</b></u>
<b>Total Assets</b>	<u><b>\$ 3,463,531</b></u>	<u><b>\$ 2,207,428</b></u>

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

**NETWORK COMMUNICATIONS INTERNATIONAL CORPORATION  
AND INTERNATIONAL CALLING SERVICES CORPORATION  
COMBINED BALANCE SHEETS  
December 31**

**Liabilities and Stockholders' Equity**

	<u>2014</u>	<u>2013</u>
<b>Current Liabilities:</b>		
Income taxes accrued	\$ 54,664	\$ 34,461
Current maturities of long-term debt	-0-	60,000
Current maturities of RTU obligations	80,927	-0-
Accounts payable	842,912	954,664
Accrued expenses	375,922	455,041
Deferred revenue	<u>500,624</u>	<u>432,514</u>
<b>Total Current Liabilities</b>	<u>1,855,049</u>	<u>1,936,680</u>
<b>Noncurrent Liabilities:</b>		
Deferred income taxes	44,964	36,040
Long-term debt	-0-	67,951
Obligation under RTU agreement	<u>837,670</u>	<u>-0-</u>
<b>Total Noncurrent Liabilities</b>	<u>882,634</u>	<u>103,991</u>
<b>Stockholders' Equity:</b>		
Common stock	11,800	11,800
Additional paid-in capital	424,474	418,794
Accumulated earnings (deficit)	<u>289,574</u>	<u>(263,837)</u>
<b>Total Stockholders' Equity</b>	<u>725,848</u>	<u>166,757</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 3,463,531</u>	<u>\$ 2,207,428</u>

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

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

	<u>2014</u>	<u>2013</u>
<b>Revenues:</b>		
Telecommunication services	\$ 26,886,842	\$ 20,465,082
Other	20,838	28,730
<b>Total Revenues</b>	<u>26,907,680</u>	<u>20,493,812</u>
<b>Expenses:</b>		
Commissions expense	15,509,989	11,813,565
Origination fees	815,877	557,263
Billing and collection costs	1,347,346	1,228,045
Operator costs	2,249,635	1,936,143
Administrative salaries and benefits	4,482,747	3,068,457
Depreciation and amortization	284,821	141,912
Other general and administrative expenses	1,240,268	1,315,873
<b>Total Expenses</b>	<u>25,930,683</u>	<u>20,061,258</u>
<b>Operating Income (Loss)</b>	<u>976,997</u>	<u>432,554</u>
<b>Other Income (Expense):</b>		
Interest expense	(50,729)	(22,142)
Other income (expense)	(8,507)	2,787
<b>Total Other Expense</b>	<u>(59,236)</u>	<u>(19,355)</u>
<b>Income (Loss) Before Income Taxes</b>	917,761	413,199
<b>Income Taxes</b>	<u>(47,192)</u>	<u>(34,305)</u>
<b>Net Income (Loss)</b>	<u>\$ 870,569</u>	<u>\$ 378,894</u>

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