

FINNEGAN, CONRAD & PETERSON, L.C.

ATTORNEYS AND COUNSELORS AT LAW

**1209 PENNTOWER OFFICE CENTER
3100 BROADWAY
KANSAS CITY, MISSOURI 64111**

**(816) 753-1122
TELECOPIER (816) 756-0373**

**JEREMIAH FINNEGAN, P.C.
STUART W. CONRAD
C. EDWARD PETERSON***

***ALSO ADMITTED IN
KANSAS AND MASSACHUSETTS**

January 14, 2003

**Via Overnight Delivery
Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
200 Madison, Suite 100
Jefferson City, MO 65101**

FILED³

JAN 15 2003

**Missouri Public
Service Commission**

**Re: BBC Telephone, Inc.- Application for Certificate of Service Authority and for
Competitive Classification**

Dear Mr. Roberts:

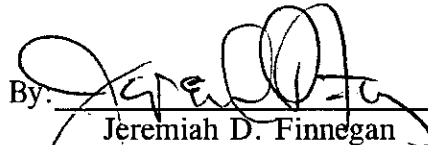
Enclosed for filing find an original and eight (8) copies of an Application for Certificate of Service Authority and for Competitive Classification on behalf of BBC Telephone, Inc.

Also enclosed for filing find an original and five (5) copies of an Interconnection Agreement between BBC Telephone, Inc. and Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company. This is in a separate box.

Please return the extra cover pages with the file stamp in the self addressed and stamped envelope.

Very truly yours,

FINNEGAN, CONRAD & PETERSON, L.C.

By: 
Jeremiah D. Finnegan

JDF:crb

Enclosures

cc: Office of Public Counsel w/copy of Application
Steven D. Gough w/o attachments
Barry E. Beshirs w/o attachments

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

JAN 15 2003

Missouri Public
Service Commission

In the matter of the Application of
BBC Telephone, Inc., for a certificate
of service authority to provide Basic
Local Telecommunications Service in
portions of the State of Missouri and to
classify said services and the company
as competitive.

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Case No. _____

**APPLICATION FOR CERTIFICATE OF SERVICE AUTHORITY
AND FOR COMPETITIVE CLASSIFICATION**

COMES NOW, BBC Telephone, Inc. ("BBC"), by its undersigned counsel, and hereby applies pursuant to: Sections 392.361, 392.420, and 392.430 RSMo 1994, 392.410, 392.450 RSMo. 2000; the Federal Telecommunications Act of 1996; and 4 CSR 240-2.060, for authority to provide basic local telecommunications service in portions of the State of Missouri and to classify said service and company as competitive. In support of its application BBC states as follows:

1. Applicant BBC is a corporation duly organized and existing under and by virtue of the laws of the State of Kansas. Attached hereto and incorporated by reference is Exhibit 1, which consists of a certified copy of the corporation's Articles of Incorporation, as amended, and Certificate of Good Standing dated October 4, 2002 from the Secretary of State, State of Kansas. BBC received a Certificate of Authority to transact business in the State of Missouri on November 16, 2001, a copy of which is attached hereto as Exhibit 2. Although BBC has not yet transacted any business in the State of Missouri, BBC remains in good standing as a foreign corporation authorized to do business in the State of Missouri.

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions relating to the case should be addressed to:

Jeremiah D. Finnegan
Finnegan, Conrad & Peterson L.C.
3100 Broadway, Suite 1209
Kansas City, MO 64111

Steven D. Gough
Withers, Gough, Pike & Peterson LLC
O.W. Garvey Building
200 W. Douglas, Suite 1010
Wichita, Kansas 67202

And

Barry E. Beshirs, President
President, BBC Telephone, Inc.
154 N. Emporia
Wichita, Kansas 67202

3. BBC proposes to provide basic local exchange telecommunications service on a facilities and resold basis, throughout all exchanges currently served by the incumbent local exchange telecommunication company of Southwestern Bell Telephone Company (SWBT). The specific SWBT exchanges within which BBC proposes to offer service are listed in the incumbent provider's local exchange tariff.

4. Pursuant to this application, BBC seeks to offer and provide all forms of basic local telecommunications service, including, but not limited to residential basic local exchange telecommunications service on a prepaid basis.

5. BBC possesses the technical and managerial expertise and experience necessary to provide the service it proposes. BBC has provided similar service in Kansas since December 1999. Description of backgrounds of BBC management, which demonstrate the extensive experience and expertise, are attached hereto and incorporated herein by reference as Exhibit 3. BBC also possesses the necessary financial resources as demonstrated by the financial statements attached hereto and incorporated herein by reference as Exhibit 4.

6. BBC seeks classification of itself and its services as competitive.

7. BBC will offer basic local telecommunications service, including but not limited to residential basic local exchange telecommunications service on a prepaid basis, as a separate

and distinct service in accordance with applicable law. BBC will give consideration to equitable access for all Missourians, regardless of where they might reside or their income, to affordable telecommunications services in BBC'S proposed service areas in accordance with applicable law.

8. BBC is willing to comply with all applicable Commission rules and is willing to meet all relevant service standards, including, but not limited to billing, quality of service, and tariff filing and maintenance. Consistent with the Commission's treatment of other certificated competitive local exchange telecommunications companies, BBC requests that the following statutes and regulations be waived for BBC and its basic local exchange service offerings:

<u>Statutes</u>	<u>Missouri Public Service Commission Rules</u>
392.210.2	
392.240(1)	4 CSR 240-10.020
392.270	4 CSR 240-30.010 (2)(C)
392.280	4 CSR 240-30.040
392.290	4 CSR 240-32.030 (4)(C)
392.300.2	4 CSR 240-33.030
392.310	
392.320	
392.330	
392.340	

9. BBC further requests a temporary waiver of 4 CSR 240-2.060(4)(H). This rule requires that an application for a certificate of service authority to provide inter-exchange, local exchange or basic local exchange service shall include a proposed tariff with a forty-five day effective date. BBC finds it impossible at this time to develop tariffs to fully comply with this rule since BBC has not yet executed or received Commission approval of any resale agreements with incumbent local exchange companies. At such time as all facts necessary for the development of such tariffs are known to BBC, it will promptly file said tariffs bearing no less than a 45 day effective date with the Commission in a manner consistent with recent Commission practice in similar cases. In any circumstance, applicant will file its proposed basic

local exchange telecommunications service tariff no later than 30 days after Commission approval of applicant's interconnection and/or resale agreement.

10. BBC submits that the public interest will be served by Commission approval of this application because BBC's proposed services will create and enhance competition and expand customer service options consistent with the legislative goals set forth in the Federal Telecommunications Act of 1996 and Chapter 392, RSMo. Prompt approval of this application also will expand the availability of innovative, high quality, and reliable telecommunications services within the State of Missouri.

11. There are not any pending actions nor has there ever been any final unsatisfied judgments or decisions against BBC from any state or federal agency or court that involves customer service or rates.

WHEREFORE, applicant BBC Telephone, Inc., respectfully requests that the Commission grant it a certificate of service authority to provide basic local telecommunications services as herein requested, classify BBC and its proposed services as competitive, and grant a waiver of the aforesaid statutes and regulations.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, LC.

By: 

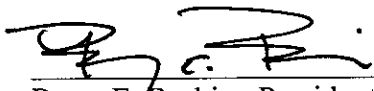
Jeremiah D. Finnegan, MO# 48416
1209 Penntower Office Center
3100 Broadway
Kansas City, Missouri 64111
816) 753-1122 - Telephone
(816) 756-0373 - Fax
ATTORNEY FOR APPLICANT
BBC TELEPHONE, INC.

VERIFICATION

I, Barry B. Beshirs, under penalty of perjury, certify as follows:

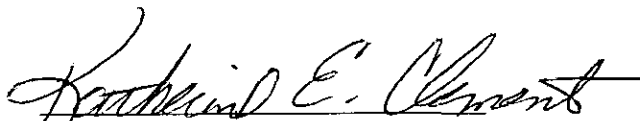
I am President of BBC Telephone, Inc., and I am authorized to make this verification on behalf of BBC Telephone, Inc. I have read the foregoing Application and know the contents thereof, and the facts stated therein are true and correct to the best of my knowledge, information and belief.

Executed in Wichita, County of Sedgwick, State of Kansas on this 8 day of January 2003.


Barry E. Beshirs, President
BBC Telephone, Inc.

Sworn to before me and subscribed to in my presence by Barry E. Beshirs, this 8th day of January 2003.

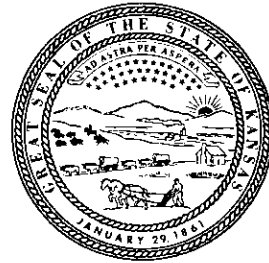



Notary Public

My Commission Expires: June 30, 2006

STATE OF KANSAS

OFFICE OF
SECRETARY OF STATE
RON THORNBURGH



To all to whom these presents shall come, Greetings:

I, RON THORNBURGH, Secretary of State of the state of Kansas, do hereby certify that I am the custodian of records of the State of Kansas relating to corporations and that I am the proper official to execute this certificate.

I FURTHER CERTIFY THAT

BBC TELEPHONE, INC.

is a regularly and properly organized corporation under the laws of the state of KANSAS, having been incorporated in Kansas on the 26th day of October, A.D. 2000 and has paid all fees and franchise taxes due this office and is in good standing according to the records now on file in the office of Secretary of State.

In testimony whereof:
I hereto set my hand and cause
to be affixed my official seal.
Done at the City of Topeka, this
4th day of October, A.D. 2002



RON THORNBURGH
SECRETARY OF STATE

RON THORNBURGH
Secretary of State



Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785)296-4564

STATE OF KANSAS

November 15, 2002

BBC TELEPHONE, INC.
2610 S. SENECA
WICHITA KS 67216

RE: BBC TELEPHONE, INC.

ID #: 294-037-7

To The Corporation


A certified copy of the amendment that was recently filed in the Corporations Division of our office is enclosed.

Every corporation in Kansas is assigned an identification number. Use of this number in any correspondence with our office will give us immediate access to your file and enable us to offer you faster, more efficient service. Your corporation's identification number is at the top of this letter.

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**ARTICLES OF INCORPORATION
OF
BBC TELEPHONE, INC.**

I, the undersigned incorporator, hereby form and establish a corporation for profit under the laws of the State of Kansas.

ARTICLE I - NAME

The name of the corporation is BBC Telephone, Inc.

ARTICLE II - REGISTERED OFFICE AND AGENT

The address of its registered office in Kansas is 2610 S. Seneca, Wichita, Kansas 67216. The resident agent in charge thereof at the above address is Barry E. Beshirs.

ARTICLE III - PURPOSE

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the general corporation code of Kansas.

ARTICLE IV - CAPITAL STOCK

The total aggregate number of shares which the Corporation shall have authority to issue is Twenty Million (20,000,000) shares of which:

- (a) Ten million (10,000,000) shares shall be Class A common shares, no par value with full voting rights (one vote per share), subject to the privileges, preferences and priorities of Class B shares;
- (b) and Ten million (10,000,000) shares of Class B Stock, which Class B shares shall be subject to the preferences, limitations and relative rights in respect to shares of Class A common shares of the Corporation as set forth below.

PROVISIONS APPLICABLE TO CLASS B STOCK

The Board of Directors of the Corporation (the "Board") is hereby expressly vested with the authority to adopt a resolution providing for the issuance of authorized but unissued shares of Class B Stock, which shares may be issued from time to time in one or more series and in such amounts as may be determined by the Board in such resolution or resolutions. The voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, if any, of each series of Class B Stock and the qualifications, limitations or restrictions, if any, of such preferences and/or rights (collectively

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KANSAS
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the "Series Terms"), shall be such as are stated and expressed in a resolution or resolutions providing for the creation or revision of such Series Terms (a "Class B Stock Series Resolution") adopted by the Board. The powers of the Board with respect to the Series Terms of a particular series shall include, but not be limited to, determination of the following:

(1) The number of shares constituting that series and the distinctive designation of that series, or any increase (but not above the total number of authorized shares of Class B Stock) or decrease (but not below the number of shares thereof then outstanding) in such number;

(2) The dividend rate, if any, on the shares of that series, whether such dividends, if any shall be cumulative, and, if so, the date or dates from which dividends payable on such shares shall accumulate, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(3) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(4) Whether that series shall have conversion privileges with respect to shares of any other class or classes of stock or any other series of any class of stock, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate upon occurrence of such events as the Board shall determine;

(5) Whether the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including their relative rights of priority, if any, of redemption, the date or dates upon or after which they shall be redeemable, provisions regarding redemption notices, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(6) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(7) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series;

(8) The conditions or restriction upon the creation of indebtedness of the Corporation or upon the issuance of additional Class B Stock or other capital stock ranking on a parity therewith, or prior thereto, with respect to dividends or distribution of assets upon liquidation;

(9) The conditions or restrictions with respect to the issuance of, payment of dividends upon, or the making of other distributions to, or the acquisition or redemption of, shares ranking junior to the Class B Stock or to any series thereof with respect to dividends or distribution of assets upon liquidation; and

(10) Any other designations, powers, preferences, and rights, including, without limitation, any qualifications, limitations, or restrictions thereof.

Any of the Series Terms, including voting rights, of any series may be made dependent upon facts ascertainable outside these Articles of Incorporation, as amended, and the Class B Stock Series Resolution, provided that the manner in which such facts shall operate upon such Series Terms is clearly and expressly set forth in these Articles of Incorporation, as amended, or in the Class B Stock Resolution.

Subject to the provisions of this Article IV, shares of one or more series of Class B Stock may be authorized or issued from time to time as shall be determined by and for such consideration (not less than the par value thereof) as shall be fixed by the Board, in an aggregate amount not exceeding the total number of shares of Class B Stock authorized by these Articles of Incorporation, as amended. Shares so issued for which the consideration shall have been paid or delivered to the Corporation shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payments in respect of such shares. Except in respect of class particulars fixed by these Articles of Incorporation and Series Terms fixed by the Board as permitted hereby, all shares of Class B Stock shall be of equal rank and shall be identical, including but not limited to, the rights upon liquidation, dissolution or winding up of the Corporation. All shares of any one series of Class B Stock so designated by the Board shall be alike in every particular, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

PROVISIONS APPLICABLE TO CLASS A COMMON AND CLASS B STOCK

(1) No Cumulative Voting. The right of holders of Class A Common and Class B Stock to cumulative voting in the election of directors is expressly prohibited.

(2) Unless otherwise determined by the Board, no holder of Class A Common or Class B stock shall be entitled, as such, as a matter of right, to purchase, subscribe for, or receive any right or rights to subscribe for:

(a) Any stock of any class that the Corporation may issue or sell, whether or not exchangeable for any stock of the Corporation of any class or classes, and whether of unissued shares or out of shares of stock of the Corporation acquired by it after the issuance of such shares, and regardless of the consideration for which any shares are issued; or

(b) Any obligation that the Corporation may issue or sell that is convertible into or exchangeable for any stock of the Corporation of any class or classes or to which is attached or appurtenant any warrant or warrants or other instrument or instruments

conferring on the holders the right to subscribe for or purchase from the Corporation any shares of its stock of any class or classes.

ARTICLE V - INCORPORATORS

The name and mailing address of the incorporator is as follows:

NAME

ADDRESS

Barry E. Beshirs

2610 S. Seneca
Wichita, KS 67216

ARTICLE VI - BOARD OF DIRECTORS

The power of the incorporator terminates upon the filing of these Articles of Incorporation, and the name and mailing address of the person who is to serve as Director of the corporation until the next annual meeting of shareholders or until his successor is elected and qualified is as follows:

Name

Mailing Address

Barry E. Beshirs

2610 S. Seneca
Wichita, KS 67216

Directors need not be elected by written ballot unless required by the Bylaws of the corporation.

ARTICLE VI - BYLAWS

In furtherance of and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend, and repeal the Bylaws of the corporation.

ARTICLE VII - AMENDMENT OF ARTICLES

The corporation reserves the right to amend or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by statute. All rights conferred upon the stockholders herein are granted subject to this reservation.

ARTICLE VIII - CORPORATE EXISTENCE

The corporation is to exist perpetually.

ARTICLE IX - FISCAL YEAR

The Corporation's annual fiscal year closing date is December 31.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name this 25 day of October, 2000.




Barry E. Beshirs

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

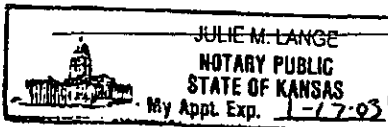
Personally appeared before me, a Notary Public in and for Sedgwick County, Kansas, the above named Barry E. Beshirs, who is personally known to me to be the same person who executed the foregoing instrument in writing, and duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of October, 2000.



Notary Public

My Appointment Expires:



I hereby certify this to be a true and correct copy of the original on file.
Certified on this date: 10/31/2002
Ron Thornburgh, Secretary of State

Kansas Secretary of State
Corporation Change of Registered Office or Agent

RO

All information must be completed or this document will not be accepted for filing.

1. Name of the corporation

BBC Telephone, Inc.

Name must match the name on record with the Secretary of State

2. State of organization Kansas

3. The registered office in the state of Kansas is changed to:
(Address must be a street address. A post office box is unacceptable.)

154 N. Emporia

Wichita

KS

67202

Street Address

City

State

Zip Code

4. The resident agent in Kansas is changed to:

Individual or Kansas Corporation

I declare under penalty of perjury under the laws of the state of Kansas that the foregoing is true and correct.

Executed on the 12th of November, 2002.
Day Month Year

[Signature]
President or Vice President - Barry E. Beshirs

[Signature]
Secretary or Assistant Secretary

Please submit this form in duplicate with the \$20 filing fee.

Contact Information

Kansas Secretary of State
Ron Thornburgh
Memorial Hall, 1st Floor
120 SW 10th Avenue
Topeka, KS 66612-1240
785-296-4564
kssos@kssos.org
www.kssos.org

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KANSAS

I hereby certify this to be a true and correct copy of the original on file.
Certified on this date Nov 15 2002
Ron Thornburgh, Secretary of State

ORIGINAL

Kansas Secretary of State

For Profit Corporation Certificate of Amendment

AP

All information must be completed or this document will not be accepted for filing.

1. Name of the corporation


BBC Telephone, Inc.

Name must match the name on record with the Secretary of State

2. The articles of incorporation are amended as follows:

Article IV is deleted and is replaced by the following: Article IV – Capital Stock: The total number of shares which the Corporation shall have outstanding to issue is 75,000 class A Common shares, no par value, with full voting rights.

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3. The amendment was duly adopted in accordance with the provisions of K.S.A. 17-6602.

I declare under penalty of perjury under the laws of the state of Kansas that the foregoing is true and correct.

Executed on the 29th of October, 2002
Day Month Year



President or Vice President

Attest:


Secretary or Assistant Secretary

Please submit this form in duplicate with the \$20 filing fee.

Contact Information

I hereby certify this to be a true and correct copy of the original on file.
Certified on this date: Nov 15 2002
Ron Thornburgh, Secretary of State

Kansas Secretary of State
Ron Thornburgh
Memorial Hall, 1st Floor
120 SW 10th Avenue
Topeka, KS 66612-1240
785-296-4564
kssos@kssos.org
www.kssos.org

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KANSAS

No. F00502558

STATE OF MISSOURI



Matt Blunt
Secretary of State

CORPORATION DIVISION - CERTIFICATE OF AUTHORITY

WHEREAS,
BBC TELEPHONE, INC.

using in Missouri the name
BBC TELEPHONE, INC.

has complied with the General and Business Corporation Law which governs Foreign Corporations; by filing in the office of the Secretary of State of Missouri authenticated evidence of its incorporation and good standing under the Laws of the State of KANSAS.

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do hereby certify that said corporation is from this date duly authorized to transact business in this State, and is entitled to all rights and privileges granted to Foreign Corporations under the General and Business Corporation Law of Missouri.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 16th day of NOVEMBER, 2001.

A handwritten signature of Matt Blunt in cursive script, written over a horizontal line.

\$155.00

Secretary of State



DESCRIPTION OF TECHNICAL AND MANAGERIAL EXPERIENCE AND EXPERTISE

BBC Telephone, Inc. ("BBC") currently provides competitive basic local exchange telecommunications service to approximately 4,300 customers in Kansas as a facilities based reseller under a certain interconnection agreement with Southwestern Bell Telephone Company ("SWBT") that has been approved by the Kansas Corporation Commission ("KCC").¹ BBC provides such service to customers located in many Kansas communities, including, Wichita, Topeka, Lawrence, Manhattan, Kansas City, Kansas, Olathe, Shawnee Mission, El Dorado, Winfield, Garden City, Dodge City and other communities. BBC and its predecessor, BBC Paging, have been providing this service to Kansas residents since December 1999.

BBC is also a party to a Resale Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 between Illinois Bell Telephone Company, Indiana Bell Telephone Company Inc., Michigan Bell Telephone Company, Nevada Bell Telephone Company, The Ohio Bell Telephone Company, SWBT and/or Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin, dated October 24, 2001.

The President, Secretary, Treasurer and sole stockholder of BBC is Barry E. Beshirs. His experience in providing facilities based resale services started on August 4, 1999, when he applied, as an individual doing business as BBC Paging, to the KCC for a Certificate of Convenience and Authority to Provide Switched Local Exchange and Exchange Access Service Within the State of Kansas, Docket No. 00-BBCT-110-COC. On September 15, 1999 the KCC issued an order in Docket No. 00-BBCT-110-COC granting Barry Beshirs, d/b/a BBC Paging, a Certificate of Convenience and Authority to Provide Switched Local Exchange and Exchange Access Service Within the State of Kansas. BBC Paging commenced providing service to Kansas customers in December 1999.

In the fall of 2000, Mr. Beshirs decided to incorporate the business that he was conducting under the name of BBC Paging. On October 26, 2000, BBC was formed as a Kansas Corporation. From its inception through the current date, Mr. Beshirs has been the sole stockholder of BBC. Shortly after BBC was formed, Mr. Beshirs assigned his rights involving BBC Paging to BBC. The KCC approved the transfer of Certificate of Convenience and Authority issued to BBC Paging to BBC.

BBC employs seven (7) full-time employees to provide customer service and to process customer orders. Mr. Beshirs has learned the business from the ground floor up through hands-on experience from service repairs in the field, to provisioning of orders and customer service. Before starting BBC Paging and BBC Telephone, Inc., Mr. Beshirs had ten (10) years of electronic experience in the automotive industry that involved 12 volt (low voltage) systems. Mr. Beshirs has found this background to be helpful in understanding the electronics involved in operating and maintaining local telephone service. Mr. Beshirs and other employees of BBC have taken the required courses sponsored by SWBT for service order provisioning under the UNE platform. BBC maintains a toll-free line 888-923-7278 to provide customer service. It also maintains a website and e-mail address to assist in customer service: www.bbctelecom.info and bbctelephone@sbcglobal.net, respectively.

BBC provides only pre-paid switched local access at a very competitive rate to save customers money while still providing superior customer support. BBC's experience is in providing service to a market consisting primarily of low income households who are unable to obtain telephone service for various reasons, including prior unpaid outstanding bills and/or large deposit, unverifiable income source or consumers with no credit history.

¹ The KCC's most recent order that approved of certain modifications to the interconnection agreement with SWBT was issued on September 13, 2002, Docket No. 02-SWBT-841-IAT.

EXHIBIT NO. 4

INCOME STATEMENTS and BALANCE SHEETS

For

BBC PAGING, INC., and BBC TELEPHONE, INC.

DECEMBER 31, 2000 through OCTOBER 31, 2000

and

PROFORMA FOR 2003

BBC TELEPHONE INC
Income Statement
For the Period Ended October 31, 2002

	1 Month Ended Oct. 31, 2002	Pct	10 Months Ended Oct. 31, 2002	Pct
Revenue				
SALES	\$ 252,500.05	100.00	\$ 1,768,074.09	100.00
Total Revenue	252,500.05	100.00	1,768,074.09	100.00
Cost of Sales				
COST OF SALES	111,077.42	43.99	1,138,657.60	64.40
Total Cost of Sales	111,077.42	43.99	1,138,657.60	64.40
Gross Profit	141,422.63	56.01	629,416.49	35.60
Operating Expenses				
ACCOUNTING	0.00	0.00	1,305.00	0.07
ADVERTISING	1,363.82	0.54	34,469.48	1.95
AUTO	208.57	0.08	4,426.03	0.25
BAD DEBTS	479.97	0.19	8,495.49	0.48
BANK CHARGES	180.35	0.07	3,235.44	0.18
DONATIONS	0.00	0.00	200.00	0.01
DUES & SUBSCRIPTIONS	0.00	0.00	47.00	0.00
FREIGHT	0.00	0.00	47.90	0.00
INSURANCE	207.52	0.08	2,460.27	0.14
LABOR	0.00	0.00	11,864.30	0.67
LICENSES	1,543.44	0.61	1,543.44	0.09
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	4,308.96	1.71	14,929.88	0.84
OUTSIDE SERVICES	0.00	0.00	2,270.00	0.13
POSTAGE	783.86	0.31	8,211.71	0.46
REPAIRS & MAINTENANCE	88.38	0.04	3,816.60	0.22
RENT EQUIPMENT	2,624.70	1.04	6,343.40	0.36
RENT	0.00	0.00	6,300.00	0.36
SECURITY	0.00	0.00	79.85	0.00
SUPPLIES OFFICE	607.89	0.24	4,672.03	0.26
TAXES	0.00	0.00	6,097.00	0.34
TAXES PAYROLL	2,018.48	0.80	15,078.68	0.85
TAXES PROPERTY	0.00	0.00	371.32	0.02
TAXES SALES	5,911.10	2.34	84,744.98	4.79
MEALS	233.97	0.09	752.02	0.04
TELEPHONE	1,163.91	0.46	4,155.66	0.24
TRAVEL & ENTERTAINMENT	0.00	0.00	593.74	0.03
REFUND	326.90	0.13	3,384.70	0.19
UTILITIES	1,155.62	0.46	4,075.83	0.23
WAGES	23,313.24	9.23	260,804.09	14.75
Total Expenses	46,520.68	18.42	494,787.79	27.98
Operating Income	94,901.95	37.58	134,628.70	7.61

	1 Month Ended Oct. 31, 2002	Pct	10 Months Ended Oct. 31, 2002	Pct
Net Income (Loss)	\$ <u>94,901.95</u>	<u>37.58</u>	\$ <u>134,628.70</u>	<u>7.61</u>

BBC TELEPHONE INC
Balance Sheet
October 31, 2002

Assets

Current Assets

CASH ON HAND	\$	(123.70)
FIDELITY BANK 9020000885		127,606.25
EMPLOYEES ADVANCE		895.00
OFFICERS ADVANCE		41,639.58
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 173,567.52

Fixed Assets

SHOP EQUIPMENT	25,734.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 20,187.73

Other Assets

Total Assets \$ 193,755.25

BBC TELEPHONE INC
Balance Sheet
October 31, 2002

Liabilities and Equity

Current Liabilities

FICA	\$	2,157.09
STATE WH		(1,017.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities \$ 21,140.05

Long Term Liabilities

NOTE PAYABLE	<u>3,560.97</u>
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Total Long Term Liabilities 3,560.97

Equity

COMMON STOCK	900.00
RETAINED EARNINGS	33,525.53
Current Income (Loss)	<u>134,628.70</u>

Total Equity 169,054.23

Total Liabilities & Equity \$ 193,755.25

BBC TELEPHONE INC
Income Statement
For the Period Ended September 30, 2002

	1 Month Ended Sep. 30, 2002	Pct	9 Months Ended Sep. 30, 2002	Pct
Revenue				
SALES	\$ 107,030.28	100.00	\$ 1,515,574.04	100.00
Total Revenue	107,030.28	100.00	1,515,574.04	100.00
Cost of Sales				
COST OF SALES	116,119.75	108.49	1,027,580.18	67.80
Total Cost of Sales	116,119.75	108.49	1,027,580.18	67.80
Gross Profit	(9,089.47)	(8.49)	487,993.86	32.20
Operating Expenses				
ACCOUNTING	1,175.00	1.10	1,305.00	0.09
ADVERTISING	3,136.97	2.93	33,105.66	2.18
AUTO	130.54	0.12	4,217.46	0.28
BAD DEBTS	55.40	0.05	8,015.52	0.53
BANK CHARGES	180.35	0.17	3,055.09	0.20
DONATIONS	200.00	0.19	200.00	0.01
DUES & SUBSCRIPTIONS	0.00	0.00	47.00	0.00
FREIGHT	0.00	0.00	47.90	0.00
INSURANCE	253.07	0.24	2,252.75	0.15
LABOR	0.00	0.00	11,864.30	0.78
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	2,690.06	2.51	10,620.92	0.70
OUTSIDE SERVICES	1,000.00	0.93	2,270.00	0.15
POSTAGE	111.29	0.10	7,427.85	0.49
REPAIRS & MAINTENANCE	143.93	0.13	3,728.22	0.25
RENT EQUIPMENT	1,103.37	1.03	3,718.70	0.25
RENT	1,200.00	1.12	6,300.00	0.42
SECURITY	49.90	0.05	79.85	0.01
SUPPLIES OFFICE	125.44	0.12	4,064.14	0.27
TAXES	0.00	0.00	6,097.00	0.40
TAXES PAYROLL	887.49	0.83	13,060.20	0.86
TAXES PROPERTY	0.00	0.00	371.32	0.02
TAXES SALES	7,948.05	7.43	78,833.88	5.20
MEALS	42.00	0.04	518.05	0.03
TELEPHONE	191.20	0.18	2,991.75	0.20
TRAVEL & ENTERTAINMENT	107.79	0.10	593.74	0.04
REFUND	157.00	0.15	3,057.80	0.20
UTILITIES	329.91	0.31	2,920.21	0.19
WAGES	23,758.26	22.20	237,490.85	15.67
Total Expenses	44,977.02	42.02	448,267.11	29.58
Operating Income	(54,066.49)	(50.52)	39,726.75	2.62
Net Income (Loss)	\$ (54,066.49)	(50.52)	\$ 39,726.75	2.62

BBC TELEPHONE INC
Balance Sheet
September 30, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		32,792.42
EMPLOYEES ADVANCE		825.00
OFFICERS ADVANCE		41,639.58
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 78,871.39

Fixed Assets

SHOP EQUIPMENT	25,734.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 20,187.73

Other Assets

Total Assets \$ 99,059.12

BBC TELEPHONE INC
Balance Sheet
September 30, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		2,157.05
STATE WH		(998.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities	\$	20,659.01
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Long Term Liabilities

NOTE PAYABLE		<u>3,747.83</u>
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Total Long Term Liabilities		3,747.83
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Equity

COMMON STOCK		900.00
RETAINED EARNINGS		34,025.53
Current Income (Loss)		<u>39,726.75</u>

Total Equity		<u>74,652.28</u>
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Total Liabilities & Equity	\$	<u>99,059.12</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended August 31, 2002

	1 Month Ended Aug. 31, 2002	Pct	8 Months Ended Aug. 31, 2002	Pct
Revenue				
SALES	\$ 152,110.36	100.00	\$ 1,408,543.76	100.00
Total Revenue	152,110.36	100.00	1,408,543.76	100.00
Cost of Sales				
COST OF SALES	110,439.87	72.61	911,460.43	64.71
Total Cost of Sales	110,439.87	72.61	911,460.43	64.71
Gross Profit	41,670.49	27.39	497,083.33	35.29
Operating Expenses				
ACCOUNTING	0.00	0.00	130.00	0.01
ADVERTISING	2,297.76	1.51	29,968.69	2.13
AUTO	367.50	0.24	4,086.92	0.29
BAD DEBTS	449.91	0.30	7,960.12	0.57
BANK CHARGES	318.80	0.21	2,874.74	0.20
DUES & SUBSCRIPTIONS	0.00	0.00	47.00	0.00
FREIGHT	0.00	0.00	47.90	0.00
INSURANCE	105.78	0.07	1,999.68	0.14
LABOR	0.00	0.00	11,864.30	0.84
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	2,059.92	1.35	7,930.86	0.56
OUTSIDE SERVICES	375.00	0.25	1,270.00	0.09
POSTAGE	154.39	0.10	7,316.56	0.52
REPAIRS & MAINTENANCE	165.09	0.11	3,584.29	0.25
RENT EQUIPMENT	2,126.68	1.40	2,615.33	0.19
RENT	600.00	0.39	5,100.00	0.36
SECURITY	29.95	0.02	29.95	0.00
SUPPLIES OFFICE	735.43	0.48	3,938.70	0.28
TAXES	0.00	0.00	6,097.00	0.43
TAXES PAYROLL	1,638.42	1.08	12,172.71	0.86
TAXES PROPERTY	0.00	0.00	371.32	0.03
TAXES SALES	10,909.25	7.17	70,885.83	5.03
MEALS	161.16	0.11	476.05	0.03
TELEPHONE	513.83	0.34	2,800.55	0.20
TRAVEL & ENTERTAINMENT	284.31	0.19	485.95	0.03
REFUND	364.50	0.24	2,900.80	0.21
UTILITIES	474.67	0.31	2,590.30	0.18
WAGES	74,097.06	48.71	213,732.59	15.17
Total Expenses	98,229.41	64.58	403,290.09	28.63
Operating Income	(56,558.92)	(37.18)	93,793.24	6.66
Net Income (Loss)	\$ (56,558.92)	(37.18)	\$ 93,793.24	6.66

BBC TELEPHONE INC

Balance Sheet
August 31, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		88,847.79
EMPLOYEES ADVANCE		825.00
OFFICERS ADVANCE		41,639.58
INVENTORY		<u>3,550.39</u>

Total Current Assets	\$	134,926.76
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Fixed Assets

SHOP EQUIPMENT	25,734.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets	20,187.73
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Other Assets

Total Assets	\$	<u>155,114.49</u>
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BBC TELEPHONE INC
Balance Sheet
August 31, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		2,157.07
STATE WH		803.96
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities \$ 22,461.03

Long Term Liabilities

NOTE PAYABLE	<u>3,934.69</u>
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Total Long Term Liabilities 3,934.69

Equity

COMMON STOCK	900.00
RETAINED EARNINGS	34,025.53
Current Income (Loss)	<u>93,793.24</u>

Total Equity 128,718.77

Total Liabilities & Equity \$ 155,114.49

BBC TELEPHONE INC
Income Statement
For the Period Ended July 31, 2002

	1 Month Ended Jul. 31, 2002	Pct	7 Months Ended Jul. 31, 2002	Pct
Revenue				
SALES	\$ 192,976.55	100.00	\$ 1,256,433.40	100.00
Total Revenue	192,976.55	100.00	1,256,433.40	100.00
Cost of Sales				
COST OF SALES	121,101.50	62.75	801,020.56	63.75
Total Cost of Sales	121,101.50	62.75	801,020.56	63.75
Gross Profit	71,875.05	37.25	455,412.84	36.25
Operating Expenses				
ACCOUNTING	0.00	0.00	130.00	0.01
ADVERTISING	3,734.33	1.94	27,670.93	2.20
AUTO	441.56	0.23	3,719.42	0.30
BAD DEBTS	474.40	0.25	7,510.21	0.60
BANK CHARGES	268.25	0.14	2,555.94	0.20
DUES & SUBSCRIPTIONS	0.00	0.00	47.00	0.00
FREIGHT	22.50	0.01	47.90	0.00
INSURANCE	0.00	0.00	1,893.90	0.15
LABOR	1,100.00	0.57	11,864.30	0.94
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	2,990.91	1.55	5,870.94	0.47
OUTSIDE SERVICES	175.00	0.09	895.00	0.07
POSTAGE	119.22	0.06	7,162.17	0.57
REPAIRS & MAINTENANCE	15.82	0.01	3,419.20	0.27
RENT EQUIPMENT	69.91	0.04	488.65	0.04
RENT	600.00	0.31	4,500.00	0.36
SUPPLIES OFFICE	841.20	0.44	3,203.27	0.25
TAXES	0.00	0.00	6,097.00	0.49
TAXES PAYROLL	719.18	0.37	10,534.29	0.84
TAXES PROPERTY	0.00	0.00	371.32	0.03
TAXES SALES	19,665.18	10.19	59,976.58	4.77
MEALS	133.76	0.07	314.89	0.03
TELEPHONE	299.57	0.16	2,286.72	0.18
TRAVEL & ENTERTAINMENT	201.64	0.10	201.64	0.02
REFUND	451.50	0.23	2,536.30	0.20
UTILITIES	383.80	0.20	2,115.63	0.17
WAGES	21,557.87	11.17	139,635.53	11.11
Total Expenses	54,265.60	28.12	305,060.68	24.28
Operating Income	17,609.45	9.13	150,352.16	11.97
Net Income (Loss)	\$ 17,609.45	9.13	\$ 150,352.16	11.97

BBC TELEPHONE INC
Balance Sheet
July 31, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		153,639.27
EMPLOYEES ADVANCE		825.00
OFFICERS ADVANCE		30,700.58
INVENTORY		<u>3,550.39</u>

Total Current Assets	\$	188,779.24
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Fixed Assets

SHOP EQUIPMENT	25,734.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets	20,187.73
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Other Assets

Total Assets	\$	<u>208,966.97</u>
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BBC TELEPHONE INC
Balance Sheet
July 31, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		2,157.08
STATE WH		(1,061.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities	\$	20,596.04
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Long Term Liabilities

NOTE PAYABLE		4,121.55
NOTE		<u>(1,028.31)</u>

Total Long Term Liabilities		3,093.24
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Equity

COMMON STOCK		900.00
RETAINED EARNINGS		34,025.53
Current Income (Loss)		<u>150,352.16</u>

Total Equity		<u>185,277.69</u>
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Total Liabilities & Equity	\$	<u>208,966.97</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended June 30, 2002

	1 Month Ended Jun. 30, 2002	Pct	6 Months Ended Jun. 30, 2002	Pct
Revenue				
SALES	\$ <u>192,555.82</u>	<u>100.00</u>	\$ <u>1,063,456.85</u>	<u>100.00</u>
Total Revenue	192,555.82	100.00	1,063,456.85	100.00
Cost of Sales				
COST OF SALES	<u>121,966.36</u>	<u>63.34</u>	<u>679,919.06</u>	<u>63.93</u>
Total Cost of Sales	<u>121,966.36</u>	<u>63.34</u>	<u>679,919.06</u>	<u>63.93</u>
Gross Profit	70,589.46	36.66	383,537.79	36.07
Operating Expenses				
ACCOUNTING	0.00	0.00	130.00	0.01
ADVERTISING	3,222.86	1.67	23,936.60	2.25
AUTO	2,271.19	1.18	3,277.86	0.31
BAD DEBTS	4,840.50	2.51	7,035.81	0.66
BANK CHARGES	302.21	0.16	2,287.69	0.22
DUES & SUBSCRIPTIONS	35.00	0.02	47.00	0.00
FREIGHT	0.00	0.00	25.40	0.00
INSURANCE	1,582.60	0.82	1,893.90	0.18
LABOR	1,650.00	0.86	10,764.30	1.01
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	82.23	0.04	2,880.03	0.27
OUTSIDE SERVICES	0.00	0.00	720.00	0.07
POSTAGE	67.46	0.04	7,042.95	0.66
REPAIRS & MAINTENANCE	608.81	0.32	3,403.38	0.32
RENT EQUIPMENT	69.79	0.04	418.74	0.04
RENT	600.00	0.31	3,900.00	0.37
SUPPLIES OFFICE	363.07	0.19	2,362.07	0.22
TAXES	90.00	0.05	6,097.00	0.57
TAXES PAYROLL	1,669.85	0.87	9,815.11	0.92
TAXES PROPERTY	148.56	0.08	371.32	0.03
TAXES SALES	0.00	0.00	40,311.40	3.79
MEALS	98.46	0.05	181.13	0.02
TELEPHONE	286.90	0.15	1,987.15	0.19
REFUND	579.30	0.30	2,084.80	0.20
UTILITIES	352.69	0.18	1,731.83	0.16
WAGES	<u>21,908.88</u>	<u>11.38</u>	<u>118,077.66</u>	<u>11.10</u>
Total Expenses	<u>40,830.36</u>	<u>21.20</u>	<u>250,795.08</u>	<u>23.58</u>
Operating Income	<u>29,759.10</u>	<u>15.45</u>	<u>132,742.71</u>	<u>12.48</u>
Net Income (Loss)	\$ <u>29,759.10</u>	<u>15.45</u>	\$ <u>132,742.71</u>	<u>12.48</u>

BBC TELEPHONE INC
Balance Sheet
June 30, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		143,368.59
EMPLOYEES ADVANCE		825.00
OFFICERS ADVANCE		30,124.58
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 177,932.56

Fixed Assets

SHOP EQUIPMENT	24,059.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 18,512.73

Other Assets

Total Assets \$ 196,445.29

BBC TELEPHONE INC
Balance Sheet
June 30, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		6,050.68
STATE WH		(1,082.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities \$ 24,468.64

Long Term Liabilities

NOTE PAYABLE	<u>4,308.41</u>
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Total Long Term Liabilities 4,308.41

Equity

COMMON STOCK	900.00
RETAINED EARNINGS	34,025.53
Current Income (Loss)	<u>132,742.71</u>

Total Equity 167,668.24

Total Liabilities & Equity \$ 196,445.29

BBC TELEPHONE INC
Income Statement
For the Period Ended May 31, 2002

	1 Month Ended May 31, 2002	Pct	5 Months Ended May 31, 2002	Pct
Revenue				
SALES	\$ 197,070.84	100.00	\$ 870,901.03	100.00
Total Revenue	197,070.84	100.00	870,901.03	100.00
Cost of Sales				
COST OF SALES	127,178.46	64.53	557,952.70	64.07
Total Cost of Sales	127,178.46	64.53	557,952.70	64.07
Gross Profit	69,892.38	35.47	312,948.33	35.93
Operating Expenses				
ACCOUNTING	0.00	0.00	130.00	0.01
ADVERTISING	4,168.70	2.12	20,713.74	2.38
AUTO	230.62	0.12	1,006.67	0.12
BAD DEBTS	878.40	0.45	2,195.31	0.25
BANK CHARGES	379.50	0.19	1,985.48	0.23
DUES & SUBSCRIPTIONS	0.00	0.00	12.00	0.00
FREIGHT	25.40	0.01	25.40	0.00
INSURANCE	0.00	0.00	311.30	0.04
LABOR	2,200.00	1.12	9,114.30	1.05
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	1,782.74	0.90	2,797.80	0.32
OUTSIDE SERVICES	0.00	0.00	720.00	0.08
POSTAGE	158.87	0.08	6,975.49	0.80
REPAIRS & MAINTENANCE	985.36	0.50	2,794.57	0.32
RENT EQUIPMENT	69.79	0.04	348.95	0.04
RENT	600.00	0.30	3,300.00	0.38
SUPPLIES OFFICE	27.85	0.01	1,999.00	0.23
TAXES	6,007.00	3.05	6,007.00	0.69
TAXES PAYROLL	2,761.54	1.40	8,145.26	0.94
TAXES PROPERTY	0.00	0.00	222.76	0.03
TAXES SALES	18,295.31	9.28	40,311.40	4.63
MEALS	31.05	0.02	82.67	0.01
TELEPHONE	296.21	0.15	1,700.25	0.20
REFUND	483.00	0.25	1,505.50	0.17
UTILITIES	339.17	0.17	1,379.14	0.16
WAGES	29,797.50	15.12	96,168.78	11.04
Total Expenses	69,518.01	35.28	209,964.72	24.11
Operating Income	374.37	0.19	102,983.61	11.82
Net Income (Loss)	\$ 374.37	0.19	\$ 102,983.61	11.82

BBC TELEPHONE INC
Balance Sheet
May 31, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		114,828.08
EMPLOYEES ADVANCE		825.00
OFFICERS ADVANCE		29,574.58
INVENTORY		<u>3,550.39</u>

Total Current Assets	\$	148,842.05
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Fixed Assets

SHOP EQUIPMENT	23,759.39
AUTO & TRUCK	7,219.03
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets	18,212.73
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Other Assets

Total Assets	\$	<u>167,054.78</u>
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BBC TELEPHONE INC
Balance Sheet
May 31, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		5,819.41
STATE WH		(669.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities \$ 24,650.37

Long Term Liabilities

NOTE PAYABLE	<u>4,495.27</u>
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Total Long Term Liabilities 4,495.27

Equity

COMMON STOCK	900.00
RETAINED EARNINGS	34,025.53
Current Income (Loss)	<u>102,983.61</u>

Total Equity 137,909.14

Total Liabilities & Equity \$ 167,054.78

BBC TELEPHONE INC
Income Statement
For the Period Ended April 30, 2002

	1 Month Ended Apr. 30, 2002	Pct	4 Months Ended Apr. 30, 2002	Pct
Revenue				
SALES	\$ <u>172,325.93</u>	<u>100.00</u>	\$ <u>673,830.19</u>	<u>100.00</u>
Total Revenue	172,325.93	100.00	673,830.19	100.00
Cost of Sales				
COST OF SALES	<u>131,513.16</u>	<u>76.32</u>	<u>430,774.24</u>	<u>63.93</u>
Total Cost of Sales	<u>131,513.16</u>	<u>76.32</u>	<u>430,774.24</u>	<u>63.93</u>
Gross Profit	40,812.77	23.68	243,055.95	36.07
Operating Expenses				
ACCOUNTING	130.00	0.08	130.00	0.02
ADVERTISING	6,089.90	3.53	16,545.04	2.46
AUTO	249.30	0.14	776.05	0.12
BAD DEBTS	248.15	0.14	1,316.91	0.20
BANK CHARGES	391.36	0.23	1,605.98	0.24
DUES & SUBSCRIPTIONS	12.00	0.01	12.00	0.00
INSURANCE	0.00	0.00	311.30	0.05
LABOR	0.00	0.00	6,914.30	1.03
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	671.06	0.39	1,015.06	0.15
OUTSIDE SERVICES	0.00	0.00	720.00	0.11
POSTAGE	4,453.50	2.58	6,816.62	1.01
REPAIRS & MAINTENANCE	0.00	0.00	1,809.21	0.27
RENT EQUIPMENT	69.79	0.04	279.16	0.04
RENT	600.00	0.35	2,700.00	0.40
SUPPLIES OFFICE	176.36	0.10	1,971.15	0.29
TAXES PAYROLL	1,929.11	1.12	5,383.72	0.80
TAXES PROPERTY	159.26	0.09	222.76	0.03
TAXES SALES	0.00	0.00	22,016.09	3.27
MEALS	0.00	0.00	51.62	0.01
TELEPHONE	107.20	0.06	1,404.04	0.21
REFUND	632.00	0.37	1,022.50	0.15
UTILITIES	239.64	0.14	1,039.97	0.15
WAGES	<u>22,894.48</u>	<u>13.29</u>	<u>66,371.28</u>	<u>9.85</u>
Total Expenses	<u>39,053.11</u>	<u>22.66</u>	<u>140,446.71</u>	<u>20.84</u>
Operating Income	<u>1,759.66</u>	<u>1.02</u>	<u>102,609.24</u>	<u>15.23</u>
Net Income (Loss)	\$ <u>1,759.66</u>	<u>1.02</u>	\$ <u>102,609.24</u>	<u>15.23</u>

BBC TELEPHONE INC
Balance Sheet
April 30, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		118,018.30
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		29,447.50
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 151,781.19

Fixed Assets

SHOP EQUIPMENT	23,759.39
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 10,993.70

Other Assets

Total Assets \$ 162,774.89

BBC TELEPHONE INC
Balance Sheet
April 30, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		2,157.03
STATE WH		(1,099.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities	\$	20,557.99
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Long Term Liabilities

NOTE PAYABLE		<u>4,682.13</u>
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Total Long Term Liabilities		4,682.13
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Equity

COMMON STOCK		900.00
RETAINED EARNINGS		34,025.53
Current Income (Loss)		<u>102,609.24</u>

Total Equity		<u>137,534.77</u>
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Total Liabilities & Equity	\$	<u>162,774.89</u>
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BBC TELEPHONE INC
Balance Sheet
March 31, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		117,114.34
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		28,605.64
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 150,035.37

Fixed Assets

SHOP EQUIPMENT	23,759.39
OFFICE EQUIPMENT	18,172.31
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 10,993.70

Other Assets

Total Assets \$ 161,029.07

BBC TELEPHONE INC
Balance Sheet
March 31, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)	
FICA		2,157.01	
STATE WH		(1,272.04)	
NOTES PAYABLE OFFICER		<u>20,000.00</u>	

Total Current Liabilities \$ 20,384.97

Long Term Liabilities

NOTE PAYABLE	<u>4,868.99</u>	
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Total Long Term Liabilities 4,868.99

Equity

COMMON STOCK	900.00	
RETAINED EARNINGS	34,025.53	
Current Income (Loss)	<u>100,849.58</u>	

Total Equity 135,775.11

Total Liabilities & Equity \$ 161,029.07

BBC TELEPHONE INC
Income Statement
For the Period Ended March 31, 2002

	1 Month Ended Mar. 31, 2002	Pct	3 Months Ended Mar. 31, 2002	Pct
Revenue				
SALES	\$ <u>174,485.45</u>	<u>100.00</u>	\$ <u>501,504.26</u>	<u>100.00</u>
Total Revenue	174,485.45	100.00	501,504.26	100.00
Cost of Sales				
COST OF SALES	<u>109,096.77</u>	<u>62.52</u>	<u>299,261.08</u>	<u>59.67</u>
Total Cost of Sales	<u>109,096.77</u>	<u>62.52</u>	<u>299,261.08</u>	<u>59.67</u>
Gross Profit	65,388.68	37.48	202,243.18	40.33
Operating Expenses				
ADVERTISING	3,559.90	2.04	10,455.14	2.08
AUTO	196.36	0.11	526.75	0.11
BAD DEBTS	204.65	0.12	1,068.76	0.21
BANK CHARGES	427.20	0.24	1,214.62	0.24
INSURANCE	0.00	0.00	311.30	0.06
LABOR	0.00	0.00	6,914.30	1.38
MISCELLANEOUS	0.00	0.00	11.95	0.00
OPERATING MATERIALS	0.00	0.00	344.00	0.07
OUTSIDE SERVICES	0.00	0.00	720.00	0.14
POSTAGE	2.73	0.00	2,363.12	0.47
REPAIRS & MAINTENANCE	1,311.51	0.75	1,809.21	0.36
RENT EQUIPMENT	69.79	0.04	209.37	0.04
RENT	600.00	0.34	2,100.00	0.42
SUPPLIES OFFICE	1,070.62	0.61	1,794.79	0.36
TAXES PAYROLL	1,453.66	0.83	3,454.61	0.69
TAXES PROPERTY	0.00	0.00	63.50	0.01
TAXES SALES	17,383.91	9.96	22,016.09	4.39
MEALS	51.62	0.03	51.62	0.01
TELEPHONE	933.14	0.53	1,296.84	0.26
REFUND	390.50	0.22	390.50	0.08
UTILITIES	336.92	0.19	800.33	0.16
WAGES	<u>19,002.35</u>	<u>10.89</u>	<u>43,476.80</u>	<u>8.67</u>
Total Expenses	<u>46,994.86</u>	<u>26.93</u>	<u>101,393.60</u>	<u>20.22</u>
Operating Income	<u>18,393.82</u>	<u>10.54</u>	<u>100,849.58</u>	<u>20.11</u>
Net Income (Loss)	\$ <u>18,393.82</u>	<u>10.54</u>	\$ <u>100,849.58</u>	<u>20.11</u>

BBC TELEPHONE INC
Income Statement
For the Period Ended February 28, 2002

	1 Month Ended Feb. 28, 2002	Pct	2 Months Ended Feb. 28, 2002	Pct
Revenue				
SALES	\$ 176,113.37	100.00	\$ 327,018.81	100.00
Total Revenue	176,113.37	100.00	327,018.81	100.00
Cost of Sales				
COST OF SALES	94,849.85	53.86	190,164.31	58.15
Total Cost of Sales	94,849.85	53.86	190,164.31	58.15
Gross Profit	81,263.52	46.14	136,854.50	41.85
Operating Expenses				
ADVERTISING	6,305.74	3.58	6,895.24	2.11
AUTO	161.95	0.09	330.39	0.10
BAD DEBTS	642.11	0.36	864.11	0.26
BANK CHARGES	379.26	0.22	787.42	0.24
INSURANCE	0.00	0.00	311.30	0.10
LABOR	4,414.30	2.51	6,914.30	2.11
MISCELLANEOUS	11.95	0.01	11.95	0.00
OPERATING MATERIALS	256.27	0.15	344.00	0.11
OUTSIDE SERVICES	0.00	0.00	720.00	0.22
POSTAGE	117.87	0.07	2,360.39	0.72
REPAIRS & MAINTENANCE	169.71	0.10	497.70	0.15
RENT EQUIPMENT	69.79	0.04	139.58	0.04
RENT	600.00	0.34	1,500.00	0.46
SUPPLIES OFFICE	586.61	0.33	724.17	0.22
TAXES PAYROLL	1,024.58	0.58	2,000.95	0.61
TAXES PROPERTY	63.50	0.04	63.50	0.02
TAXES SALES	4,632.18	2.63	4,632.18	1.42
TELEPHONE	31.21	0.02	363.70	0.11
UTILITIES	251.28	0.14	463.41	0.14
WAGES	12,546.45	7.12	24,474.45	7.48
Total Expenses	32,264.76	18.32	54,398.74	16.63
Operating Income	48,998.76	27.82	82,455.76	25.21
Net Income (Loss)	\$ 48,998.76	27.82	\$ 82,455.76	25.21

BBC TELEPHONE INC
Balance Sheet
February 28, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		132,556.36
EMPLOYEES ADVANCE		320.24
OFFICERS ADVANCE		375.64
INVENTORY		<u>3,550.39</u>

Total Current Assets	\$	136,866.63
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Fixed Assets

SHOP EQUIPMENT	23,759.39
OFFICE EQUIPMENT	12,866.12
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets	5,687.51
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Other Assets

Total Assets	\$	<u>142,554.14</u>
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BBC TELEPHONE INC
Balance Sheet
February 28, 2002

Liabilities and Equity

Current Liabilities

CORP TAXES	\$	(500.00)
FICA		2,157.04
STATE WH		(1,540.04)
NOTES PAYABLE OFFICER		<u>20,000.00</u>

Total Current Liabilities	\$	20,117.00
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Long Term Liabilities

NOTE PAYABLE		<u>5,055.85</u>
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Total Long Term Liabilities		5,055.85
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Equity

COMMON STOCK		900.00
RETAINED EARNINGS		34,025.53
Current Income (Loss)		<u>82,455.76</u>

Total Equity		<u>117,381.29</u>
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Total Liabilities & Equity	\$	<u>142,554.14</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended January 31, 2002

	1 Month Ended Jan. 31, 2002	Pct	1 Month Ended Jan. 31, 2002	Pct
Current Revenue SALES	\$ 150,905.44	100.00	\$ 150,905.44	100.00
Total Revenue	150,905.44	100.00	150,905.44	100.00
Cost of Sales COST OF SALES	95,314.46	63.16	95,314.46	63.16
Total Cost of Sales	95,314.46	63.16	95,314.46	63.16
Gross Profit	55,590.98	36.84	55,590.98	36.84
Operating Expenses				
ADVERTISING	589.50	0.39	589.50	0.39
AUTO	168.44	0.11	168.44	0.11
BAD DEBTS	222.00	0.15	222.00	0.15
BANK CHARGES	408.16	0.27	408.16	0.27
INSURANCE	311.30	0.21	311.30	0.21
LABOR	2,500.00	1.66	2,500.00	1.66
OPERATING MATERIALS	87.73	0.06	87.73	0.06
OUTSIDE SERVICES	720.00	0.48	720.00	0.48
POSTAGE	2,242.52	1.49	2,242.52	1.49
REPAIRS & MAINTENANCE	327.99	0.22	327.99	0.22
RENT EQUIPMENT	69.79	0.05	69.79	0.05
RENT	900.00	0.60	900.00	0.60
SUPPLIES OFFICE	137.56	0.09	137.56	0.09
TAXES PAYROLL	976.37	0.65	976.37	0.65
TELEPHONE	332.49	0.22	332.49	0.22
UTILITIES	212.13	0.14	212.13	0.14
WAGES	11,928.00	7.90	11,928.00	7.90
Total Expenses	22,133.98	14.67	22,133.98	14.67
Operating Income	33,457.00	22.17	33,457.00	22.17
Net Income (Loss)	\$ 33,457.00	22.17	\$ 33,457.00	22.17

BBC TELEPHONE INC
Balance Sheet
January 31, 2002

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		86,412.87
EMPLOYEES ADVANCE		574.08
OFFICERS ADVANCE		375.64
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 90,976.98

Fixed Assets

SHOP EQUIPMENT	23,759.39
OFFICE EQUIPMENT	9,934.87
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 2,756.26

Other Assets

Total Assets \$ 93,733.24

BBC TELEPHONE INC
Balance Sheet
January 31, 2002

Liabilities and Equity

Current Liabilities	\$	(500.00)	
PAYABLES		608.00	
WHOLESALE		<u>20,000.00</u>	
PAYABLE OFFICER			
Total Current Liabilities	\$		20,108.00
Long Term Liabilities			
PAYABLE		<u>5,242.71</u>	
Total Long Term Liabilities			5,242.71
Equity			
COMMON STOCK		900.00	
RETAINED EARNINGS		34,025.53	
Current Income (Loss)		<u>33,457.00</u>	
Total Equity			<u>68,382.53</u>
Total Liabilities & Equity	\$		<u>93,733.24</u>

BBC TELEPHONE INC
Income Statement
For the Period Ended December 31, 2001

	1 Month Ended Dec. 31, 2001	Pct	12 Months Ended Dec. 31, 2001	Pct
Revenue				
SALES	\$ <u>110,074.11</u>	<u>100.00</u>	\$ <u>1,271,205.73</u>	<u>100.00</u>
Total Revenue	110,074.11	100.00	1,271,205.73	100.00
Cost of Sales				
COST OF SALES	<u>67,607.07</u>	<u>61.42</u>	<u>870,620.84</u>	<u>68.49</u>
Total Cost of Sales	<u>67,607.07</u>	<u>61.42</u>	<u>870,620.84</u>	<u>68.49</u>
Gross Profit	42,467.04	38.58	400,584.89	31.51
Operating Expenses				
ACCOUNTING	170.00	0.15	1,366.00	0.11
ADVERTISING	3,800.40	3.45	25,336.67	1.99
AUTO	140.27	0.13	2,730.74	0.21
BAD DEBTS	167.30	0.15	1,674.21	0.13
BANK CHARGES	146.27	0.13	3,174.60	0.25
CLEANING	0.00	0.00	165.16	0.01
COMMISSION	20,000.00	18.17	20,486.78	1.61
DEPRECIATION	9,250.00	8.40	9,250.00	0.73
DUES & SUBSCRIPTIONS	0.00	0.00	61.13	0.00
FREIGHT	0.00	0.00	142.72	0.01
INSURANCE	463.90	0.42	2,506.40	0.20
INTEREST	325.29	0.30	325.29	0.03
LABOR	3,485.00	3.17	7,048.00	0.55
LEGAL	2,500.00	2.27	3,494.85	0.27
OPERATING MATERIALS	91.03	0.08	1,279.64	0.10
POSTAGE	61.88	0.06	8,755.61	0.69
REPAIRS & MAINTENANCE	1,196.46	1.09	2,693.50	0.21
RENT EQUIPMENT	1,617.85	1.47	3,098.41	0.24
RENT	600.00	0.55	7,500.00	0.59
SUPPLIES OFFICE	1,028.66	0.93	5,854.29	0.46
TAXES	3,762.80	3.42	4,601.30	0.36
TAXES PAYROLL	865.73	0.79	10,892.40	0.86
TAXES PROPERTY	0.00	0.00	16,388.93	1.29
TAXES SALES	10,334.40	9.39	59,913.47	4.71
MEALS	0.00	0.00	447.21	0.04
TELEPHONE	898.12	0.82	2,084.90	0.16
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	0.00	0.00	805.41	0.06
UTILITIES	186.53	0.17	2,923.37	0.23
WAGES	<u>11,484.00</u>	<u>10.43</u>	<u>161,470.68</u>	<u>12.70</u>
Total Expenses	<u>72,575.89</u>	<u>65.93</u>	<u>366,559.36</u>	<u>28.84</u>
Operating Income	<u>(30,108.85)</u>	<u>(27.35)</u>	<u>34,025.53</u>	<u>2.68</u>
Net Income (Loss)	\$ <u>(30,108.85)</u>	<u>(27.35)</u>	\$ <u>34,025.53</u>	<u>2.68</u>

BBC TELEPHONE INC
Balance Sheet
December 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		55,018.24
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		375.64
INVENTORY		<u>3,550.39</u>

Total Current Assets \$ 59,709.27

Fixed Assets

SHOP EQUIPMENT	22,595.15
OFFICE EQUIPMENT	8,488.68
ACCUMULATED DEPRECIATION	<u>(30,938.00)</u>

Total Fixed Assets 145.83

Other Assets

Total Assets \$ 59,855.10

BBC TELEPHONE INC
Balance Sheet
December 31, 2001

Liabilities and Equity

Current Liabilities

CORP TAXES

\$ (500.00)

NOTES PAYABLE OFFICER

20,000.00

Total Current Liabilities

\$ 19,500.00

Long Term Liabilities

NOTE PAYABLE

5,429.57

Total Long Term Liabilities

5,429.57

Equity

COMMON STOCK

900.00

Current Income (Loss)

34,025.53

Total Equity

34,925.53

Total Liabilities & Equity

\$ 59,855.10

BBC TELEPHONE INC
Income Statement
For the Period Ended November 30, 2001

	1 Month Ended Nov. 30, 2001	Pct	11 Months Ended Nov. 30, 2001	Pct
Revenue				
SALES	\$ <u>93,266.85</u>	<u>100.00</u>	\$ <u>1,161,131.62</u>	<u>100.00</u>
Total Revenue	93,266.85	100.00	1,161,131.62	100.00
Cost of Sales				
COST OF SALES	<u>70,253.41</u>	<u>75.33</u>	<u>798,213.77</u>	<u>68.74</u>
Total Cost of Sales	<u>70,253.41</u>	<u>75.33</u>	<u>798,213.77</u>	<u>68.74</u>
Gross Profit	23,013.44	24.67	362,917.85	31.26
Operating Expenses				
ACCOUNTING	0.00	0.00	1,196.00	0.10
ADVERTISING	5,991.96	6.42	21,536.27	1.85
AUTO	73.60	0.08	2,590.47	0.22
BAD DEBTS	66.00	0.07	1,506.91	0.13
BANK CHARGES	58.49	0.06	3,028.33	0.26
CLEANING	0.00	0.00	165.16	0.01
COMMISSION	0.00	0.00	486.78	0.04
DUES & SUBSCRIPTIONS	0.00	0.00	61.13	0.01
FREIGHT	0.00	0.00	142.72	0.01
INSURANCE	0.00	0.00	2,042.50	0.18
LABOR	3,563.00	3.82	3,563.00	0.31
LEGAL	0.00	0.00	994.85	0.09
OPERATING MATERIALS	49.79	0.05	1,188.61	0.10
POSTAGE	111.36	0.12	8,693.73	0.75
REPAIRS & MAINTENANCE	662.44	0.71	1,497.04	0.13
RENT EQUIPMENT	80.94	0.09	1,480.56	0.13
RENT	600.00	0.64	6,900.00	0.59
SUPPLIES OFFICE	837.44	0.90	4,825.63	0.42
TAXES	0.00	0.00	838.50	0.07
TAXES PAYROLL	245.04	0.26	10,026.67	0.86
TAXES PROPERTY	1,415.39	1.52	16,388.93	1.41
TAXES SALES	0.00	0.00	49,579.07	4.27
MEALS	0.00	0.00	447.21	0.04
TELEPHONE	190.95	0.20	1,186.78	0.10
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	40.00	0.04	805.41	0.07
UTILITIES	197.79	0.21	2,736.84	0.24
WAGES	<u>15,360.00</u>	<u>16.47</u>	<u>149,986.68</u>	<u>12.92</u>
Total Expenses	<u>29,544.19</u>	<u>31.68</u>	<u>293,983.47</u>	<u>25.32</u>
Operating Income	<u>(6,530.75)</u>	<u>(7.00)</u>	<u>68,934.38</u>	<u>5.94</u>
Net Income (Loss)	\$ <u>(6,530.75)</u>	<u>(7.00)</u>	\$ <u>68,934.38</u>	<u>5.94</u>

See Accompanying Accountant's Compilation Report

BBC TELEPHONE INC
Balance Sheet
November 30, 2001

Assets

Current Assets

FIDELITY BANK 9020000885	\$	54,803.77
INTRUST BANK 0000287709		3,025.11
OFFICERS ADVANCE		287.64
INVENTORY		<u>4,800.39</u>

Total Current Assets	\$	62,916.91
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Fixed Assets

SHOP EQUIPMENT		182.15
OFFICE EQUIPMENT		<u>5,565.27</u>

Total Fixed Assets		5,747.42
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Other Assets

Total Assets	\$	<u>68,664.33</u>
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BBC TELEPHONE INC
Balance Sheet
November 30, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	(492.30)
STATE WH		<u>1,370.00</u>

Total Current Liabilities	\$	877.70
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Long Term Liabilities

NOTE PAYABLE	(186.86)
NOTE	<u>(960.89)</u>

Total Long Term Liabilities	(1,147.75)
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Equity

Current Income (Loss)	<u>68,934.38</u>
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Total Equity	<u>68,934.38</u>
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Total Liabilities & Equity	\$ <u>68,664.33</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended October 31, 2001

	1 Month Ended Oct. 31, 2001	Pct	10 Months Ended Oct. 31, 2001	Pct
Revenue				
SALES	\$ 103,142.75	100.00	\$ 1,067,864.77	100.00
Total Revenue	103,142.75	100.00	1,067,864.77	100.00
Cost of Sales				
COST OF SALES	65,792.89	63.79	727,960.36	68.17
Total Cost of Sales	65,792.89	63.79	727,960.36	68.17
Gross Profit	37,349.86	36.21	339,904.41	31.83
Operating Expenses				
ACCOUNTING	0.00	0.00	1,196.00	0.11
ADVERTISING	1,053.99	1.02	15,544.31	1.46
AUTO	119.48	0.12	2,516.87	0.24
BAD DEBTS	601.36	0.58	1,440.91	0.13
BANK CHARGES	113.44	0.11	2,969.84	0.28
CLEANING	0.00	0.00	165.16	0.02
COMMISSION	0.00	0.00	486.78	0.05
DUES & SUBSCRIPTIONS	0.00	0.00	61.13	0.01
FREIGHT	0.00	0.00	142.72	0.01
INSURANCE	0.00	0.00	2,042.50	0.19
LEGAL	0.00	0.00	994.85	0.09
OPERATING MATERIALS	0.00	0.00	1,138.82	0.11
POSTAGE	2,313.25	2.24	8,582.37	0.80
REPAIRS & MAINTENANCE	0.00	0.00	834.60	0.08
RENT EQUIPMENT	0.00	0.00	1,399.62	0.13
RENT	600.00	0.58	6,300.00	0.59
SUPPLIES OFFICE	470.44	0.46	3,988.19	0.37
TAXES	0.00	0.00	838.50	0.08
TAXES PAYROLL	272.14	0.26	9,781.63	0.92
TAXES PROPERTY	1,417.08	1.37	14,973.54	1.40
TAXES SALES	4,701.76	4.56	49,579.07	4.64
MEALS	0.00	0.00	447.21	0.04
TELEPHONE	86.73	0.08	995.83	0.09
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	96.00	0.09	765.41	0.07
UTILITIES	191.36	0.19	2,539.05	0.24
WAGES	11,662.00	11.31	134,626.68	12.61
Total Expenses	23,699.03	22.98	264,439.28	24.76
Operating Income	13,650.83	13.23	75,465.13	7.07
Net Income (Loss)	\$ 13,650.83	13.23	\$ 75,465.13	7.07

See Accompanying Accountant's Compilation Report

BBC TELEPHONE INC
Balance Sheet
October 31, 2001

Assets

Current Assets

FIDELITY BANK 9020000885	\$	65,949.73
OFFICERS ADVANCE		287.64
INVENTORY		<u>4,800.39</u>

Total Current Assets	\$	71,037.76
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Fixed Assets

OFFICE EQUIPMENT		<u>3,553.18</u>
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Total Fixed Assets		3,553.18
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Other Assets

Total Assets	\$	<u><u>74,590.94</u></u>
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See Accompanying Accountant's Compilation Report

BBC TELEPHONE INC
Balance Sheet
October 31, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	(492.30)	
STATE WH		<u>579.00</u>	

Total Current Liabilities	\$	86.70
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Long Term Liabilities

NOTE		<u>(960.89)</u>	
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Total Long Term Liabilities		(960.89)
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Equity

Current Income (Loss)		<u>75,465.13</u>	
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Total Equity		<u>75,465.13</u>
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Total Liabilities & Equity	\$	<u><u>74,590.94</u></u>
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See Accompanying Accountant's Compilation Report

BBC TELEPHONE INC
Income Statement
For the Period Ended September 30, 2001

	1 Month Ended Sep. 30, 2001	Pct	9 Months Ended Sep. 30, 2001	Pct
Revenue				
SALES	\$ <u>89,215.62</u>	<u>100.00</u>	\$ <u>964,722.02</u>	<u>100.00</u>
Total Revenue	89,215.62	100.00	964,722.02	100.00
Cost of Sales				
COST OF SALES	<u>60,863.67</u>	<u>68.22</u>	<u>666,967.47</u>	<u>69.14</u>
Total Cost of Sales	<u>60,863.67</u>	<u>68.22</u>	<u>666,967.47</u>	<u>69.14</u>
Gross Profit	28,351.95	31.78	297,754.55	30.86
Operating Expenses				
ACCOUNTING	170.00	0.19	1,196.00	0.12
ADVERTISING	1,740.00	1.95	14,490.32	1.50
AUTO	350.24	0.39	2,397.39	0.25
BAD DEBTS	214.97	0.24	839.55	0.09
BANK CHARGES	102.16	0.11	2,856.40	0.30
CLEANING	0.00	0.00	165.16	0.02
COMMISSION	0.00	0.00	486.78	0.05
DUES & SUBSCRIPTIONS	0.00	0.00	61.13	0.01
FREIGHT	0.00	0.00	142.72	0.01
INSURANCE	0.00	0.00	2,042.50	0.21
LEGAL	0.00	0.00	994.85	0.10
OPERATING MATERIALS	0.00	0.00	1,138.82	0.12
POSTAGE	1,142.00	1.28	6,269.12	0.65
REPAIRS & MAINTENANCE	0.00	0.00	834.60	0.09
RENT EQUIPMENT	38.07	0.04	1,399.62	0.15
RENT	600.00	0.67	5,700.00	0.59
SUPPLIES OFFICE	392.05	0.44	3,517.75	0.36
TAXES	0.00	0.00	838.50	0.09
TAXES PAYROLL	341.38	0.38	9,509.49	0.99
TAXES PROPERTY	1,262.00	1.41	13,556.46	1.41
TAXES SALES	4,704.24	5.27	44,877.31	4.65
MEALS	0.00	0.00	447.21	0.05
TELEPHONE	86.73	0.10	909.10	0.09
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	48.00	0.05	669.41	0.07
UTILITIES	264.70	0.30	2,347.69	0.24
WAGES	<u>12,567.00</u>	<u>14.09</u>	<u>122,964.68</u>	<u>12.75</u>
Total Expenses	<u>24,023.54</u>	<u>26.93</u>	<u>240,740.25</u>	<u>24.95</u>
Operating Income	<u>4,328.41</u>	<u>4.85</u>	<u>57,014.30</u>	<u>5.91</u>
Net Income (Loss)	\$ <u>4,328.41</u>	<u>4.85</u>	\$ <u>57,014.30</u>	<u>5.91</u>

BBC TELEPHONE INC
Balance Sheet
September 30, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		54,269.63
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		375.64
INVENTORY		<u>4,800.39</u>

Total Current Assets \$ 60,210.66

Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	1,789.31
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets 2,514.31

Other Assets

Total Assets \$ 62,724.97

BBC TELEPHONE INC
Balance Sheet
September 30, 2001

Liabilities and Equity

Current Liabilities			
FICA	\$	(492.30)	
STATE WH		<u>599.00</u>	
Total Current Liabilities			\$ 106.70
Long Term Liabilities			
NOTE PAYABLE		5,478.00	
NOTE		<u>(774.03)</u>	
Total Long Term Liabilities			4,703.97
Equity			
COMMON STOCK		900.00	
Current Income (Loss)		<u>57,014.30</u>	
Total Equity			<u>57,914.30</u>
Total Liabilities & Equity	\$		<u>62,724.97</u>

BBC TELEPHONE INC
Income Statement
For the Period Ended August 31, 2001

	1 Month Ended Aug. 31, 2001	Pct	8 Months Ended Aug. 31, 2001	Pct
Revenue				
SALES	\$ <u>89,647.37</u>	<u>100.00</u>	\$ <u>875,506.40</u>	<u>100.00</u>
Total Revenue	89,647.37	100.00	875,506.40	100.00
Cost of Sales				
COST OF SALES	<u>64,348.36</u>	<u>71.78</u>	<u>606,103.80</u>	<u>69.23</u>
Total Cost of Sales	<u>64,348.36</u>	<u>71.78</u>	<u>606,103.80</u>	<u>69.23</u>
Gross Profit	25,299.01	28.22	269,402.60	30.77
Operating Expenses				
ACCOUNTING	425.00	0.47	1,026.00	0.12
ADVERTISING	1,575.00	1.76	12,750.32	1.46
AUTO	184.44	0.21	2,047.15	0.23
BAD DEBTS	0.00	0.00	624.58	0.07
BANK CHARGES	0.00	0.00	2,754.24	0.31
CLEANING	0.00	0.00	165.16	0.02
COMMISSION	0.00	0.00	486.78	0.06
DUES & SUBSCRIPTIONS	4.95	0.01	61.13	0.01
FREIGHT	0.00	0.00	142.72	0.02
INSURANCE	0.00	0.00	2,042.50	0.23
LEGAL	0.00	0.00	994.85	0.11
OPERATING MATERIALS	0.00	0.00	1,138.82	0.13
POSTAGE	1,158.52	1.29	5,127.12	0.59
REPAIRS & MAINTENANCE	192.98	0.22	834.60	0.10
RENT EQUIPMENT	0.00	0.00	1,361.55	0.16
RENT	600.00	0.67	5,100.00	0.58
SUPPLIES OFFICE	647.49	0.72	3,125.70	0.36
TAXES	0.00	0.00	838.50	0.10
TAXES PAYROLL	1,279.61	1.43	9,168.11	1.05
TAXES PROPERTY	1,759.34	1.96	12,294.46	1.40
TAXES SALES	4,863.83	5.43	40,173.07	4.59
MEALS	15.00	0.02	447.21	0.05
TELEPHONE	134.50	0.15	822.37	0.09
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	126.91	0.14	621.41	0.07
UTILITIES	277.03	0.31	2,082.99	0.24
WAGES	<u>13,713.88</u>	<u>15.30</u>	<u>110,397.68</u>	<u>12.61</u>
Total Expenses	<u>26,958.48</u>	<u>30.07</u>	<u>216,716.71</u>	<u>24.75</u>
Operating Income	<u>(1,659.47)</u>	<u>(1.85)</u>	<u>52,685.89</u>	<u>6.02</u>
Net Income (Loss)	\$ <u>(1,659.47)</u>	<u>(1.85)</u>	\$ <u>52,685.89</u>	<u>6.02</u>

BBC TELEPHONE INC
Balance Sheet
August 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		52,090.94
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>4,800.39</u>

Total Current Assets	\$	57,786.97
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Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	1,789.31
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets	2,514.31
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Other Assets

Total Assets	\$	<u>60,301.28</u>
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BBC TELEPHONE INC
Balance Sheet
August 31, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	1,185.56	
STATE WH		<u>639.00</u>	

Total Current Liabilities	\$	1,824.56
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Long Term Liabilities

NOTE PAYABLE	5,478.00	
NOTE	<u>(587.17)</u>	

Total Long Term Liabilities	4,890.83
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Equity

COMMON STOCK	900.00	
Current Income (Loss)	<u>52,685.89</u>	

Total Equity	<u>53,585.89</u>
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Total Liabilities & Equity	\$ <u>60,301.28</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended July 31, 2001

	1 Month Ended Jul. 31, 2001	Pct	7 Months Ended Jul. 31, 2001	Pct
Revenue				
SALES	\$ 92,727.14	100.00	\$ 785,859.03	100.00
Total Revenue	92,727.14	100.00	785,859.03	100.00
Cost of Sales				
COST OF SALES	64,573.03	69.64	541,755.44	68.94
Total Cost of Sales	64,573.03	69.64	541,755.44	68.94
Gross Profit	28,154.11	30.36	244,103.59	31.06
Operating Expenses				
ACCOUNTING	601.00	0.65	601.00	0.08
ADVERTISING	1,455.00	1.57	11,175.32	1.42
AUTO	331.55	0.36	1,862.71	0.24
BAD DEBTS	0.00	0.00	624.58	0.08
BANK CHARGES	70.00	0.08	2,754.24	0.35
CLEANING	0.00	0.00	165.16	0.02
COMMISSION	0.00	0.00	486.78	0.06
DUES & SUBSCRIPTIONS	4.95	0.01	56.18	0.01
FREIGHT	0.00	0.00	142.72	0.02
INSURANCE	311.30	0.34	2,042.50	0.26
LEGAL	0.00	0.00	994.85	0.13
OPERATING MATERIALS	0.00	0.00	1,138.82	0.14
POSTAGE	26.32	0.03	3,968.60	0.51
REPAIRS & MAINTENANCE	232.76	0.25	641.62	0.08
RENT EQUIPMENT	1,361.55	1.47	1,361.55	0.17
RENT	600.00	0.65	4,500.00	0.57
SUPPLIES OFFICE	389.27	0.42	2,478.21	0.32
TAXES	0.00	0.00	838.50	0.11
TAXES PAYROLL	1,515.40	1.63	7,888.50	1.00
TAXES PROPERTY	1,371.51	1.48	10,535.12	1.34
TAXES SALES	5,241.01	5.65	35,309.24	4.49
MEALS	96.60	0.10	432.21	0.05
TELEPHONE	113.42	0.12	687.87	0.09
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	31.00	0.03	494.50	0.06
UTILITIES	227.91	0.25	1,805.96	0.23
WAGES	13,375.26	14.42	96,683.80	12.30
Total Expenses	27,355.81	29.50	189,758.23	24.15
Operating Income	798.30	0.86	54,345.36	6.92
Net Income (Loss)	\$ 798.30	0.86	\$ 54,345.36	6.92

BBC TELEPHONE INC
Balance Sheet
July 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		51,433.56
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>4,800.39</u>

Total Current Assets \$ 57,129.59

Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	1,789.31
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets 2,514.31

Other Assets

Total Assets \$ 59,643.90

BBC TELEPHONE INC
Balance Sheet
July 31, 2001

Liabilities and Equity

Current Liabilities

FICA

\$ (492.29)

Total Current Liabilities

\$ (492.29)

Long Term Liabilities

NOTE PAYABLE

5,478.00

NOTE

(587.17)

Total Long Term Liabilities

4,890.83

Equity

COMMON STOCK

900.00

Current Income (Loss)

54,345.36

Total Equity

55,245.36

Total Liabilities & Equity

\$ 59,643.90

BBC TELEPHONE INC
Income Statement
For the Period Ended June 30, 2001

	1 Month Ended Jun. 30, 2001	Pct	6 Months Ended Jun. 30, 2001	Pct
Revenue				
SALES	\$ 99,532.58	100.00	\$ 693,131.89	100.00
Total Revenue	99,532.58	100.00	693,131.89	100.00
Cost of Sales				
COST OF SALES	65,056.63	65.36	477,182.41	68.84
Total Cost of Sales	65,056.63	65.36	477,182.41	68.84
Gross Profit	34,475.95	34.64	215,949.48	31.16
Operating Expenses				
ADVERTISING	2,081.25	2.09	9,720.32	1.40
AUTO	380.06	0.38	1,531.16	0.22
BAD DEBTS	0.00	0.00	624.58	0.09
BANK CHARGES	2,076.00	2.09	2,684.24	0.39
CLEANING	0.00	0.00	165.16	0.02
COMMISSION	0.00	0.00	486.78	0.07
DUES & SUBSCRIPTIONS	7.33	0.01	51.23	0.01
FREIGHT	0.00	0.00	142.72	0.02
INSURANCE	463.90	0.47	1,731.20	0.25
LEGAL	0.00	0.00	994.85	0.14
OPERATING MATERIALS	16.82	0.02	1,138.82	0.16
POSTAGE	1,100.00	1.11	3,942.28	0.57
REPAIRS & MAINTENANCE	37.08	0.04	408.86	0.06
RENT	600.00	0.60	3,900.00	0.56
SUPPLIES OFFICE	52.94	0.05	2,088.94	0.30
TAXES	0.00	0.00	838.50	0.12
TAXES PAYROLL	1,449.49	1.46	6,373.10	0.92
TAXES PROPERTY	1,669.04	1.68	9,163.61	1.32
TAXES SALES	9,712.67	9.76	30,068.23	4.34
MEALS	100.09	0.10	335.61	0.05
TELEPHONE	136.42	0.14	574.45	0.08
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	131.50	0.13	463.50	0.07
UTILITIES	202.12	0.20	1,578.05	0.23
WAGES	18,947.51	19.04	83,308.54	12.02
Total Expenses	39,164.22	39.35	162,402.42	23.43
Operating Income	(4,688.27)	(4.71)	53,547.06	7.73
Net Income (Loss)	\$ (4,688.27)	(4.71)	\$ 53,547.06	7.73

BBC TELEPHONE INC
Balance Sheet
June 30, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		52,524.25
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>4,800.39</u>

Total Current Assets	\$	58,220.28
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Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	1,190.33
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets	1,915.33
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Other Assets

Total Assets	\$	<u>60,135.61</u>
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BBC TELEPHONE INC
Balance Sheet
June 30, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	(59.28)
STATE WH		<u>857.00</u>

Total Current Liabilities	\$	797.72
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Long Term Liabilities

NOTE PAYABLE		5,478.00
NOTE		<u>(587.17)</u>

Total Long Term Liabilities		4,890.83
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Equity

COMMON STOCK		900.00
Current Income (Loss)		<u>53,547.06</u>

Total Equity		<u>54,447.06</u>
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Total Liabilities & Equity	\$	<u>60,135.61</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended May 31, 2001

	1 Month Ended May 31, 2001	Pct	5 Months Ended May 31, 2001	Pct
Revenue				
SALES	\$ <u>102,313.42</u>	<u>100.00</u>	\$ <u>593,599.31</u>	<u>100.00</u>
Total Revenue	102,313.42	100.00	593,599.31	100.00
Cost of Sales				
COST OF SALES	<u>58,687.90</u>	<u>57.36</u>	<u>412,125.78</u>	<u>69.43</u>
Total Cost of Sales	<u>58,687.90</u>	<u>57.36</u>	<u>412,125.78</u>	<u>69.43</u>
Gross Profit	43,625.52	42.64	181,473.53	30.57
Operating Expenses				
ADVERTISING	505.00	0.49	7,639.07	1.29
AUTO	184.52	0.18	1,151.10	0.19
BAD DEBTS	0.00	0.00	624.58	0.11
BANK CHARGES	0.00	0.00	608.24	0.10
CLEANING	0.00	0.00	165.16	0.03
COMMISSION	0.00	0.00	486.78	0.08
DUES & SUBSCRIPTIONS	21.95	0.02	43.90	0.01
FREIGHT	0.00	0.00	142.72	0.02
INSURANCE	688.00	0.67	1,267.30	0.21
LEGAL	0.00	0.00	994.85	0.17
OPERATING MATERIALS	0.00	0.00	1,122.00	0.19
POSTAGE	5.08	0.00	2,842.28	0.48
REPAIRS & MAINTENANCE	80.59	0.08	371.78	0.06
RENT	600.00	0.59	3,300.00	0.56
SUPPLIES OFFICE	330.23	0.32	2,036.00	0.34
TAXES	838.50	0.82	838.50	0.14
TAXES PAYROLL	998.05	0.98	4,923.61	0.83
TAXES PROPERTY	2,014.08	1.97	7,494.57	1.26
TAXES SALES	7,072.49	6.91	20,355.56	3.43
MEALS	39.00	0.04	235.52	0.04
TELEPHONE	249.60	0.24	438.03	0.07
TRAVEL & ENTERTAINMENT	0.00	0.00	87.69	0.01
REFUND	40.00	0.04	332.00	0.06
UTILITIES	206.26	0.20	1,375.93	0.23
WAGES	<u>13,046.63</u>	<u>12.75</u>	<u>64,361.03</u>	<u>10.84</u>
Total Expenses	<u>26,919.98</u>	<u>26.31</u>	<u>123,238.20</u>	<u>20.76</u>
Operating Income	<u>16,705.54</u>	<u>16.33</u>	<u>58,235.33</u>	<u>9.81</u>
Net Income (Loss)	\$ <u>16,705.54</u>	<u>16.33</u>	\$ <u>58,235.33</u>	<u>9.81</u>

BBC TELEPHONE INC
Balance Sheet
May 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		59,617.06
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>4,800.39</u>

Total Current Assets \$ 65,313.09

Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	890.84
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets 1,615.84

Other Assets

Total Assets \$ 66,928.93

BBC TELEPHONE INC
Balance Sheet
May 31, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	2,327.77	
STATE WH		<u>575.00</u>	

Total Current Liabilities	\$	2,902.77
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Long Term Liabilities

NOTE PAYABLE	5,478.00	
NOTE	<u>(587.17)</u>	

Total Long Term Liabilities	4,890.83
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Equity

COMMON STOCK	900.00	
Current Income (Loss)	<u>58,235.33</u>	

Total Equity	<u>59,135.33</u>
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Total Liabilities & Equity	\$ <u>66,928.93</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended April 30, 2001

	1 Month Ended Apr. 30, 2001	Pct	4 Months Ended Apr. 30, 2001	Pct
Revenue				
SALES	\$ 83,483.16	100.00	\$ 491,285.89	100.00
Total Revenue	83,483.16	100.00	491,285.89	100.00
Cost of Sales				
COST OF SALES	79,647.45	95.41	353,437.88	71.94
Total Cost of Sales	79,647.45	95.41	353,437.88	71.94
Gross Profit	3,835.71	4.59	137,848.01	28.06
Operating Expenses				
ADVERTISING	1,945.16	2.33	7,134.07	1.45
AUTO	189.37	0.23	966.58	0.20
BAD DEBTS	58.00	0.07	624.58	0.13
BANK CHARGES	12.00	0.01	608.24	0.12
CLEANING	0.00	0.00	165.16	0.03
COMMISSION	0.00	0.00	486.78	0.10
DUES & SUBSCRIPTIONS	21.95	0.03	21.95	0.00
FREIGHT	131.80	0.16	142.72	0.03
INSURANCE	0.00	0.00	579.30	0.12
LEGAL	0.00	0.00	994.85	0.20
OPERATING MATERIALS	0.00	0.00	1,122.00	0.23
POSTAGE	1,322.36	1.58	2,837.20	0.58
REPAIRS & MAINTENANCE	45.13	0.05	291.19	0.06
RENT	600.00	0.72	2,700.00	0.55
SUPPLIES OFFICE	0.00	0.00	1,705.77	0.35
TAXES PAYROLL	1,031.15	1.24	3,925.56	0.80
TAXES PROPERTY	219.58	0.26	5,480.49	1.12
TAXES SALES	6,575.39	7.88	13,283.07	2.70
MEALS	18.34	0.02	196.52	0.04
TELEPHONE	39.97	0.05	188.43	0.04
TRAVEL & ENTERTAINMENT	87.69	0.11	87.69	0.02
REFUND	81.50	0.10	292.00	0.06
UTILITIES	317.37	0.38	1,169.67	0.24
WAGES	13,479.00	16.15	51,314.40	10.44
Total Expenses	26,175.76	31.35	96,318.22	19.61
Operating Income	(22,340.05)	(26.76)	41,529.79	8.45
Net Income (Loss)	\$ (22,340.05)	(26.76)	\$ 41,529.79	8.45

BBC TELEPHONE INC
Balance Sheet
April 30, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		36,803.26
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>9,600.39</u>

Total Current Assets	\$	47,299.29
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Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	591.35
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets	1,316.35
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Other Assets

Total Assets	\$	<u>48,615.64</u>
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BBC TELEPHONE INC

Balance Sheet

April 30, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	131.02	
STATE WH		<u>1,164.00</u>	
Total Current Liabilities	\$		1,295.02

Long Term Liabilities

NOTE PAYABLE		5,478.00	
NOTE		<u>(587.17)</u>	
Total Long Term Liabilities			4,890.83

Equity

COMMON STOCK		900.00	
Current Income (Loss)		<u>41,529.79</u>	
Total Equity			<u>42,429.79</u>
Total Liabilities & Equity	\$		<u>48,615.64</u>

BBC TELEPHONE INC
Income Statement
For the Period Ended March 31, 2001

	1 Month Ended Mar. 31, 2001	Pct	3 Months Ended Mar. 31, 2001	Pct
Revenue				
SALES	\$ 156,660.67	100.00	\$ 407,802.73	100.00
Total Revenue	156,660.67	100.00	407,802.73	100.00
Cost of Sales				
COST OF SALES	174,129.80	111.15	273,790.43	67.14
Total Cost of Sales	174,129.80	111.15	273,790.43	67.14
Gross Profit	(17,469.13)	(11.15)	134,012.30	32.86
Operating Expenses				
ADVERTISING	1,817.41	1.16	5,188.91	1.27
AUTO	161.05	0.10	777.21	0.19
BAD DEBTS	79.68	0.05	566.58	0.14
BANK CHARGES	66.13	0.04	596.24	0.15
CLEANING	165.16	0.11	165.16	0.04
COMMISSION	0.00	0.00	486.78	0.12
FREIGHT	0.00	0.00	10.92	0.00
INSURANCE	0.00	0.00	579.30	0.14
LEGAL	0.00	0.00	994.85	0.24
OPERATING MATERIALS	22.00	0.01	1,122.00	0.28
POSTAGE	1,102.23	0.70	1,514.84	0.37
REPAIRS & MAINTENANCE	0.00	0.00	246.06	0.06
RENT	600.00	0.38	2,100.00	0.51
SUPPLIES OFFICE	174.16	0.11	1,705.77	0.42
TAXES PAYROLL	990.25	0.63	2,894.41	0.71
TAXES PROPERTY	1,736.81	1.11	5,260.91	1.29
TAXES SALES	0.00	0.00	6,707.68	1.64
MEALS	61.32	0.04	178.18	0.04
TELEPHONE	0.00	0.00	148.46	0.04
REFUND	210.50	0.13	210.50	0.05
UTILITIES	256.43	0.16	852.30	0.21
WAGES	12,944.51	8.26	37,835.40	9.28
Total Expenses	20,387.64	13.01	70,142.46	17.20
Operating Income	(37,856.77)	(24.16)	63,869.84	15.66
Net Income (Loss)	\$ (37,856.77)	(24.16)	\$ 63,869.84	15.66

BBC TELEPHONE INC
Balance Sheet
March 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		58,853.80
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		130.64
INVENTORY		<u>9,600.39</u>

Total Current Assets	\$	69,349.83
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Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	291.86
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets	1,016.86
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Other Assets

Total Assets	\$	<u>70,366.69</u>
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BBC TELEPHONE INC
Balance Sheet
March 31, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	131.02
STATE WH		<u>575.00</u>

Total Current Liabilities	\$	706.02
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Long Term Liabilities

NOTE PAYABLE	5,478.00
NOTE	<u>(587.17)</u>

Total Long Term Liabilities	4,890.83
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Equity

COMMON STOCK	900.00
Current Income (Loss)	<u>63,869.84</u>

Total Equity	<u>64,769.84</u>
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Total Liabilities & Equity	\$ <u>70,366.69</u>
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BBC TELEPHONE INC
Income Statement
For the Period Ended February 28, 2001

	1 Month Ended Feb. 28, 2001	Pct	2 Months Ended Feb. 28, 2001	Pct
Revenue				
SALES	\$ <u>123,841.00</u>	<u>100.00</u>	\$ <u>251,142.06</u>	<u>100.00</u>
Total Revenue	123,841.00	100.00	251,142.06	100.00
Cost of Sales				
COST OF SALES	<u>28,185.27</u>	<u>22.76</u>	<u>99,660.63</u>	<u>39.68</u>
Total Cost of Sales	<u>28,185.27</u>	<u>22.76</u>	<u>99,660.63</u>	<u>39.68</u>
Gross Profit	95,655.73	77.24	151,481.43	60.32
Operating Expenses				
ADVERTISING	1,496.50	1.21	3,371.50	1.34
AUTO	181.27	0.15	616.16	0.25
BAD DEBTS	38.00	0.03	486.90	0.19
BANK CHARGES	0.00	0.00	530.11	0.21
COMMISSION	486.78	0.39	486.78	0.19
FREIGHT	10.92	0.01	10.92	0.00
INSURANCE	0.00	0.00	579.30	0.23
LEGAL	0.00	0.00	994.85	0.40
OPERATING MATERIALS	1,100.00	0.89	1,100.00	0.44
POSTAGE	12.25	0.01	412.61	0.16
REPAIRS & MAINTENANCE	145.64	0.12	246.06	0.10
RENT	900.00	0.73	1,500.00	0.60
SUPPLIES OFFICE	452.53	0.37	1,531.61	0.61
TAXES PAYROLL	987.84	0.80	1,904.16	0.76
TAXES PROPERTY	1,761.80	1.42	3,524.10	1.40
TAXES SALES	6,707.68	5.42	6,707.68	2.67
MEALS	0.00	0.00	116.86	0.05
TELEPHONE	135.82	0.11	148.46	0.06
UTILITIES	331.08	0.27	595.87	0.24
WAGES	<u>12,912.88</u>	<u>10.43</u>	<u>24,890.89</u>	<u>9.91</u>
Total Expenses	<u>27,660.99</u>	<u>22.34</u>	<u>49,754.82</u>	<u>19.81</u>
Operating Income	<u>67,994.74</u>	<u>54.90</u>	<u>101,726.61</u>	<u>40.51</u>
Net Income (Loss)	\$ <u>67,994.74</u>	<u>54.90</u>	\$ <u>101,726.61</u>	<u>40.51</u>

BBC TELEPHONE INC
Balance Sheet
February 28, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		96,281.51
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		(0.38)
INVENTORY		<u>9,600.39</u>

Total Current Assets \$ 106,646.52

Fixed Assets

SHOP EQUIPMENT	22,413.00
OFFICE EQUIPMENT	145.93
ACCUMULATED DEPRECIATION	<u>(21,688.00)</u>

Total Fixed Assets 870.93

Other Assets

Total Assets \$ 107,517.45

BBC TELEPHONE INC
Balance Sheet
February 28, 2001

Liabilities and Equity

Current Liabilities

FICA

\$ 0.01

Total Current Liabilities

\$ 0.01

Long Term Liabilities

NOTE PAYABLE

5,478.00

NOTE

(587.17)

Total Long Term Liabilities

4,890.83

Equity

COMMON STOCK

900.00

Current Income (Loss)

101,726.61

Total Equity

102,626.61

Total Liabilities & Equity

\$ 107,517.45

BBC TELEPHONE INC
Income Statement
For the Period Ended January 31, 2001

	1 Month Ended Jan. 31, 2001	Pct	1 Month Ended Jan. 31, 2001	Pct
Revenue				
SALES	\$ <u>127,301.06</u>	<u>100.00</u>	\$ <u>127,301.06</u>	<u>100.00</u>
Total Revenue	127,301.06	100.00	127,301.06	100.00
Cost of Sales				
COST OF SALES	<u>71,475.36</u>	<u>56.15</u>	<u>71,475.36</u>	<u>56.15</u>
Total Cost of Sales	<u>71,475.36</u>	<u>56.15</u>	<u>71,475.36</u>	<u>56.15</u>
Gross Profit	55,825.70	43.85	55,825.70	43.85
Operating Expenses				
ADVERTISING	1,875.00	1.47	1,875.00	1.47
AUTO	434.89	0.34	434.89	0.34
BAD DEBTS	448.90	0.35	448.90	0.35
BANK CHARGES	530.11	0.42	530.11	0.42
INSURANCE	579.30	0.46	579.30	0.46
LEGAL	994.85	0.78	994.85	0.78
POSTAGE	400.36	0.31	400.36	0.31
REPAIRS & MAINTENANCE	100.42	0.08	100.42	0.08
RENT	600.00	0.47	600.00	0.47
SUPPLIES OFFICE	1,079.08	0.85	1,079.08	0.85
TAXES PAYROLL	916.32	0.72	916.32	0.72
TAXES PROPERTY	1,762.30	1.38	1,762.30	1.38
MEALS	116.86	0.09	116.86	0.09
TELEPHONE	12.64	0.01	12.64	0.01
UTILITIES	264.79	0.21	264.79	0.21
WAGES	<u>11,978.01</u>	<u>9.41</u>	<u>11,978.01</u>	<u>9.41</u>
Total Expenses	<u>22,093.83</u>	<u>17.36</u>	<u>22,093.83</u>	<u>17.36</u>
Operating Income	<u>33,731.87</u>	<u>26.50</u>	<u>33,731.87</u>	<u>26.50</u>
Net Income (Loss)	\$ <u>33,731.87</u>	<u>26.50</u>	\$ <u>33,731.87</u>	<u>26.50</u>

BBC TELEPHONE INC
Balance Sheet
January 31, 2001

Assets

Current Assets

CASH ON HAND	\$	64.00
FIDELITY BANK 9020000885		28,977.12
EMPLOYEES ADVANCE		701.00
OFFICERS ADVANCE		(0.38)
INVENTORY		<u>9,600.39</u>

Total Current Assets	\$	39,342.13
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Fixed Assets

SHOP EQUIPMENT		22,413.00
ACCUMULATED DEPRECIATION		<u>(21,688.00)</u>

Total Fixed Assets		725.00
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Other Assets

Total Assets	\$	<u>40,067.13</u>
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BBC TELEPHONE INC
Balance Sheet
January 31, 2001

Liabilities and Equity

Current Liabilities

FICA	\$	0.01	
STATE WH		<u>544.42</u>	
Total Current Liabilities	\$		544.43

Long Term Liabilities

NOTE PAYABLE		5,478.00	
NOTE		<u>(587.17)</u>	
Total Long Term Liabilities			4,890.83

Equity

COMMON STOCK		900.00	
Current Income (Loss)		<u>33,731.87</u>	
Total Equity			<u>34,631.87</u>
Total Liabilities & Equity	\$		<u>40,067.13</u>

BBC PAGING
Income Statement
For the Period Ended December 31, 2000

	1 Month Ended Dec. 31, 2000	Pct	12 Months Ended Dec. 31, 2000	Pct
Revenue				
SALES	\$ 99,207.27	100.00	\$ 909,943.76	100.00
Total Revenue	99,207.27	100.00	909,943.76	100.00
Cost of Sales				
COST OF SALES	74,379.73	74.97	542,039.71	59.57
Total Cost of Sales	74,379.73	74.97	542,039.71	59.57
Gross Profit	24,827.54	25.03	367,904.05	40.43
Operating Expenses				
ACCOUNTING	320.00	0.32	1,577.00	0.17
ADVERTISING	4,513.00	4.55	41,756.89	4.59
AUTO	171.13	0.17	900.72	0.10
BAD DEBTS	547.26	0.55	3,647.78	0.40
BANK CHARGES	563.82	0.57	1,404.17	0.15
DEPRECIATION	20,145.00	20.31	20,145.00	2.21
INSURANCE HEALTH	86.38	0.09	277.96	0.03
INSURANCE	463.90	0.47	903.10	0.10
LABOR	12,000.00	12.10	13,291.17	1.46
LEGAL	0.00	0.00	729.65	0.08
MISCELLANEOUS	500.00	0.50	500.00	0.05
OPERATING MATERIALS	0.00	0.00	205.49	0.02
POSTAGE	1,300.27	1.31	6,665.50	0.73
REPAIRS & MAINTENANCE	0.00	0.00	5,609.97	0.62
RENT EQUIPMENT	38.07	0.04	1,445.96	0.16
RENT	600.00	0.60	7,200.00	0.79
SUPPLIES OFFICE	1,145.06	1.15	5,121.79	0.56
TAXES	2,346.51	2.37	19,559.95	2.15
TAXES PAYROLL	2,781.34	2.80	9,687.77	1.06
TAXES PROPERTY	0.00	0.00	289.59	0.03
TAXES SALES	4,836.10	4.87	37,830.15	4.16
MEALS	33.06	0.03	40.14	0.00
TELEPHONE	0.00	0.00	2,720.78	0.30
TRAVEL & ENTERTAINMENT	223.74	0.23	1,064.66	0.12
REFUND	119.00	0.12	1,644.16	0.18
UTILITIES	263.11	0.27	2,483.90	0.27
WAGES	94,993.18	95.75	177,104.42	19.46
Total Expenses	147,989.93	149.17	363,807.67	39.98
Operating Income	(123,162.39)	(124.15)	4,096.38	0.45
Net Income (Loss) \$	(123,162.39)	(124.15)	\$ 4,096.38	0.45

See Accompanying Accountant's Compilation Report

BBC PAGING
Balance Sheet
December 31, 2000

Liabilities and Equity

Current Liabilities

FICA	\$	25,262.72
STATE WH		<u>7,854.69</u>

Total Current Liabilities	\$	33,117.41
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Long Term Liabilities

NOTE		<u>7,200.00</u>
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Total Long Term Liabilities		7,200.00
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Equity

DRAW	(329.42)
CAPITAL	(140.20)
Current Income (Loss)		<u>4,096.38</u>

Total Equity		<u>3,626.76</u>
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Total Liabilities & Equity	\$	<u><u>43,944.17</u></u>
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See Accompanying Accountant's Compilation Report

BBC PAGING
Balance Sheet
December 31, 2000

Assets

Current Assets

FIDELITY BANK 9020000578	\$	27,363.91
EMPLOYEES ADVANCE		3,402.79
OFFICERS ADVANCE		8,818.31
INVENTORY		<u>2,345.06</u>

Total Current Assets	\$	41,930.07
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Fixed Assets

SHOP EQUIPMENT	1,687.73
AUTO & TRUCK	33,069.86
OFFICE EQUIPMENT	3,557.23
ACCUMULATED DEPRECIATION	(36,709.08)
LEASEHOLD IMPROVEMENTS	<u>408.36</u>

Total Fixed Assets	2,014.10
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Other Assets

Total Assets	\$	<u><u>43,944.17</u></u>
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See Accompanying Accountant's Compilation Report

Monthly and Annual Pro Forma for 2003
of BBC Telephone, Inc.

Monthly Revenue

5,000 customers at \$39.95 per month	\$199,750.00
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Monthly Expenses

Access lines	\$84,000.00
Overhead	\$59,925.00
Taxes	\$27,465.65
Media	\$9,987.50
Miscellaneous Operating Expenses	\$13,982.50
Total	\$195,360.65

Total Monthly Net Income	\$4,389.35
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Yearly Revenue	\$2,397,000.00
Yearly Expenses	\$2,344,327.80

Net Yearly Revenue	\$52,672.20
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