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NETWORK IP 9033234564 D TELECOM, LLP

No. 2822 P. 4/5

BALANCE SHEET  
UNAUDITED - FOR MANAGEMENT PURPOSES ONLY  
DECEMBER 31, 1999

ASSETS

Current Assets

- Cash & Short Term Investments
- Accts Receivable, Net of Allow
- Prepaid Expenses
- Deposits
- Notes Receivable - Current

Total Current Assets

Other Assets

- Investment in Del Norte
- Investment in NetworkIP, LLC

Total Other Assets

Long Term Assets

- Long Term Assets - LA

Total Long Term Assets

Fixed Assets

- Office Furniture & Fixtures
- Equipment
- Software
- Leasehold Improvements
- Accumulated Depreciation

Total Fixed Assets

Total Assets

LIABILITIES & PARTNERS' EQUITY

Current Liabilities

- Accounts Payable - Trade
- A/P - Accruals
- Other Liabilities
- Customer Deposits Payable

Total Current Liabilities

Partners' Equity

- Partners' Contributions
- Retained Earnings

Total Partners' Equity

Total Liabilities and Partners' Equity

DOCUMENT NUMBER-DATE

12061 SEP 25 8

FPSC-RECORDS/REPORTING

INCOME STATEMENT  
 UNAUDITED - FOR MANAGEMENT PURPOSES ONLY  
 FOR THE TWELVE PERIODS ENDED DECEMBER 31, 1999

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	%	ACTUAL	%
<b>Revenue</b>				
Sales - Service Bureau				
Sales - Other				
<b>Total Revenue</b>				
<b>Cost of Sales</b>				
Telephone Services				
Commissions				
Bad Debt Expense				
<b>Total Cost of Sales</b>				
<b>Gross Profit</b>				
<b>Operating Expenses</b>				
Admin Salaries & Benefits				
Advertising				
Automobile				
Consulting				
Contract Labor				
Customer Adjustments				
Depreciation				
Dues & Publications				
Employee Welfare				
Emp. Seminar/Trade Show Fees				
Equipment Expense				
Freight				
Insurance Expense				
Interest Expense				
Interest Income				
Internet Expense				
Janitorial Expense				
Lease Expense - Equipment				
Legal & Professional				
Licenses & Fees				
(Gain)Loss on F/A Disposal				
Marketing Expense				
Meals				
Office Supplies & Misc. Exp				
Pager Expense				
Rent Expense				
Repairs & Maintenance				
Service Agreements				
Software Expense				
Sales Tax on Fixed Assets				
Taxes - Other				
Telephone Expense				
Travel and Entertainment				
Utilities				
<b>Total Operating Expenses</b>				
<b>Net Inc (Loss) from Oper Before Inc Tax</b>				

TELECOM, LLP  
BALANCE SHEET  
UNAUDITED - FOR MANAGEMENT PURPOSES ONLY  
JULY 31, 2000

ASSETS

Current Assets

- Cash & Short Term Investments
- Accts Receivable, Net of Allow
- Prepaid Expenses
- Deposits
- Notes Receivable - Current

Total Current Assets

Other Assets

- Investment in Del Norte
- Investment In NetworkIP, LLC

Total Other Assets

Long Term Assets

- Long Term Assets - LA

Total Long Term Assets

Fixed Assets

- Office Furniture & Fixtures
- Equipment
- Software
- Leasehold Improvements
- Accumulated Depreciation

Total Fixed Assets

Total Assets

LIABILITIES & PARTNERS' EQUITY

Current Liabilities

- Accounts Payable - Trade
- A/P - Accruals
- Other Liabilities
- Customer Deposits Payable

Total Current Liabilities

Partners' Equity

- Partners' Contributions
- Retained Earnings

Total Partners' Equity

Total Liabilities and Partners' Equity

INCOME STATEMENT  
 UNAUDITED - FOR MANAGEMENT PURPOSES ONLY  
 FOR THE SEVEN PERIODS ENDED JULY 31, 2000

	PERIOD TO DATE		YEAR TO DATE	
	ACTUAL	%	ACTUAL	%
<b>Revenue</b>				
Sales - Service Bureau				
Sales - Other				
<b>Total Revenue</b>				
<b>Cost of Sales</b>				
Telephone Services				
Commissions				
Customer Training				
Bad Debt Expense				
<b>Total Cost of Sales</b>				
<b>Gross Profit</b>				
<b>Operating Expenses</b>				
Admin Salaries & Benefits				
Advertising				
Automobile				
Consulting				
Contract Labor				
Customer Adjustments				
Depreciation				
Dues & Publications				
Employee Welfare				
Emp. Seminar/Trade Show Fees				
Equipment Expense				
Freight				
Insurance Expense				
Interest Expense				
Interest Income				
Internet Expense				
Janitorial Expense				
Lease Expense - Equipment				
Legal & Professional				
Licenses & Fees				
Marketing Expense				
Meals				
Office Supplies & Misc. Exp				
Pager Expense				
Rent Expense				
Repairs & Maintenance				
Service Agreements				
Software Expense				
Sales Tax on Fixed Assets				
Taxes - Other				
Telephone Expense				
Travel and Entertainment				
Utilities				
<b>Total Operating Expenses</b>				
<b>Net Inc (Loss) from Oper Before Inc Tax</b>				