

ORIGINAL

210 N. Park Ave Winter Park, FL

32789

June 27, 2002 Overnight

P.O. Drawer 200

Winter Park, FL

32790-0200

Ms. Blanca S. Bayo, Director

Division of the Commission Clerk & Administrative Services

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tel 407-740-8575 Tallahassee, Florida 32399-0870

Fax: 407-740-0613

tmi@tminc.com

RE:

Confidential Claim for Financial Statements -

Parique Bylks

Application of BullsEye Telecom, Inc. for authority to provide Interexchange

Telecommunications Service within the State of Florida -

Dear Ms. Bayo:

Enclosed, pursuant to the requirements of Rule 25-22.006(5)(a), is one (1) highlighted copy and two (2) redacted copies of the financial statements of BullsEye Telecom, Inc. which are being filed concurrently with and as part of the above captioned proceeding. The enclosed material is confidential and should be treated accordingly pursuant to Chapter 364.183(1), Florida Statutes.

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

I may be reached at (407) 740-8575 or via email at mbyrnes@tminc.com with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

Monique Byrnes

Consultant to

BullsEye Telecom, Inc.

MB/sp

cc:

C. Schneider, Jr. - BullsEye

file:

BullsEye - FL IXC

tms:

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CONFIDENTIAL

BullsEye Telecom, Inc.

Report on Audits of Financial Statements
For the Years Ended December 31, 2001 and 2000

BullsEye Telecom, Inc.
Report on Audits of Financial Statements
For the Years Ended December 31, 2001 and 2000

BullsEye Telecom, Inc. Contents

	Page(s)
Report of Independent Accountants	1
Financial Statements Balance Sheets	2
Statement of Operations	3
Statement of Redeemable, Convertible Preferred Stock, Common Stock and Other Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11

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PricewaterhouseCoopers LLP Suite 200 40950 Woodward Avenue Bloomfield Hills MI 48304-2260 Telephone (313) 394 6000 Facsimile (313) 394 3513

Report of Independent Accountants

To the Shareholders and Board of Directors of BullsEye Telecom, Inc.

In our opinion, the accompanying balance sheets and statements of operations, of redeemable, convertible preferred stock, common stock, and other stockholders' equity, and of cash flows present fairly, in all material respects, the financial position of BullsEye Telecom, Inc. at December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Pricewasterhouseloggers LLP April 22, 2002

BullsEye Telecom, Inc. **Balance Sheets** December 31, 2001 and 2000

2001

2000

Assets

Current assets

Cash and cash equivalents

Accounts receivable

Other current assets

Total current assets.

Property and equipment

Less - accumulated depreciation and amortization

Net property and equipment

Total assets



Current liabilities

Trade accounts payable Accrued liabilities

Accrued liabilities from discontinued operations

Deferred revenue

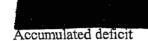
Customer deposits

Debt, current

Total current liabilities

Redeemable, convertible preferred stock, common stock

and other stockholders' equity



Total redeemable, convertible preferred stock, common stock and other stockholders' equity

Total liabilities and redeemable, convertible preferred stock, common stock and other stockholders' equity



BullsEye Telecom, Inc. Statement of Operations For the Years Ended December 31, 2001 and 2000

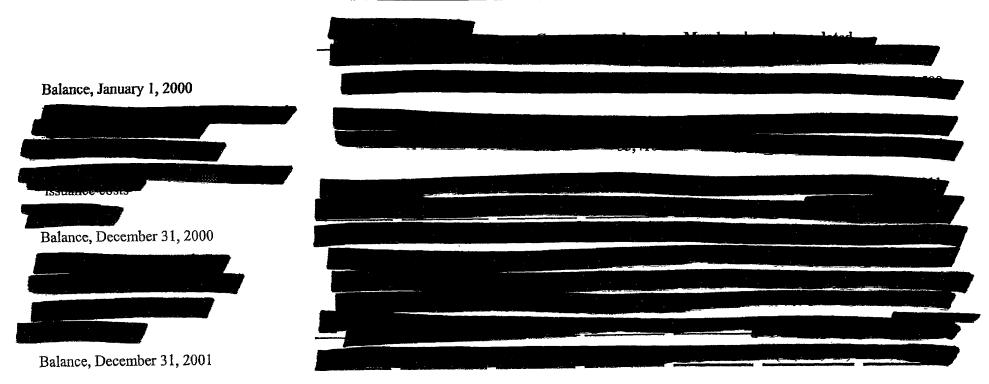
Revenue
Sales of communication services and equipment

Costs and expenses
Costs of communication services and equipment
Sales and marketing expenses
Operation expenses
General and administrative expenses
Total operating expenses

Interest and other income

BullsEye Telecom, Inc.

Statement of Redeemable, Convertible Preferred Stock, Common Stock and Other Stockholders' Equity For the Years Ended December 31, 2001 and 2000



BullsEye Telecom, Inc. Statements of Cash Flows For the Years Ended December 31, 2001 and 2000

2001

2000

Cash flows used in operating activities Depreciation and amortization Non-cash compensation Changes in operating assets and liabilities Accounts receivable Prepaid and other assets Accounts payable Other current liabilities Net cash used in operating activities Net cash used in investing activities Purchase of property and equipment Net cash flows from financing activities Proceeds from sale of stock, net of issuance costs Payments on notes payable Proceeds from exercise of employee option Net cash provided by (used in) financing activities Net (decrease) increase in cash Cash, beginning of period Cash, end of year

Noncash financing and investing activities

Cash paid for interest

Supplemental disclosure of cash flow information

Debt and other liabilities incurred to acquire property and equipment

BullsEye Telecom,Inc. **Notes to Financial Statements**

1. Summary of Significant Accounting Policies

Business operations

BullsEye Telecom, Inc., formerly Enterprise Network Solutions, L.L.C., ("the Company") was formed as a Michigan limited liability company on May 17, 1999. The Company provides electronic data and voice services, primarily to businesses in the midwest United States.

On April 20, 2000, the Company converted to a Corporation. In connection with this conversion all outstanding member units were converted into voting shares of common stock, with no par value. All outstanding options for membership units were converted to options for common stock.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents are held on deposit and in money market funds or checking accounts.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed on a straight-line basis over the estimated useful life of the assets, which range from 3 to 5 years. Upon sale or retirement of property and equipment, the cost and related accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss charged to accumulated depreciation. Maintenance and repair costs are expensed as incurred.

Deferred revenue and customer deposits

The Company receives advance payments from customers, which are recognized as revenue when the services are performed.

Revenue recognition

The Company recognizes revenue from services as the services are performed. The Company recognizes revenue from the sale of hardware when the hardware is delivered to the customer.

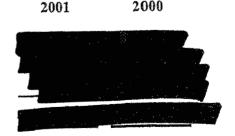
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Property and Equipment

Property and equipment consisted of the following at December 31, 2001 and 2000:

Computer and office equipment Network equipment Leasehold improvements Software

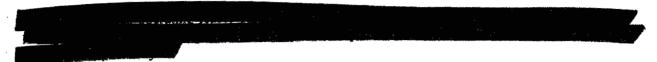
Total



2000

BullsEye Telecom,Inc. Notes to Financial Statements

3. Lease Commitments



Future minimum payments under operating leases for continuing operations are:

2002

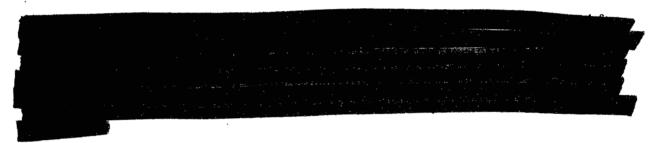
2003

2004

2005



4. Stock Options



Following is a summary of stock options granted by the Company:

Outstanding at January 1, 2000

Granted

Forfeited

Outstanding at December 31, 2000

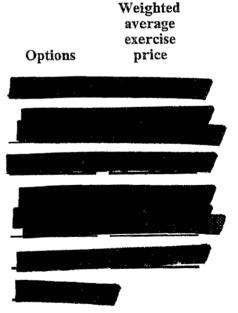
Granted

Forfeited

Exercised

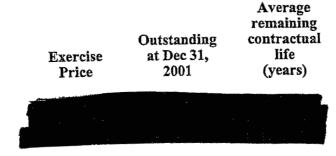
Outstanding at December 31, 2001

Exercisable at December 31, 2001



BullsEye Telecom,Inc. Notes to Financial Statements

4. Stock Options (continued)

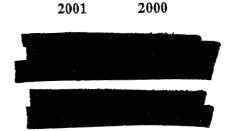


In October 1995, Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," was issued which encourages, but does not require, companies to record compensation expenses for the fair value of options and other equity instruments granted under stock-based compensation agreements.

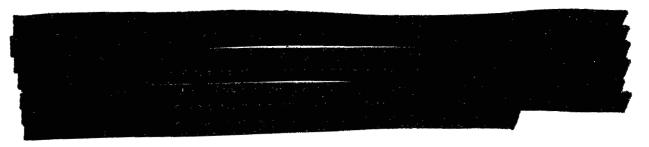


Principle assumptions used in calculating the pro forma information were as follows:

Risk free interest rates
Expected life, in years
Expected dividend yield
Weighted average fair value of options granted with
Option exercise price at fair value
Option exercise price below fair value



5. Preferred Stock



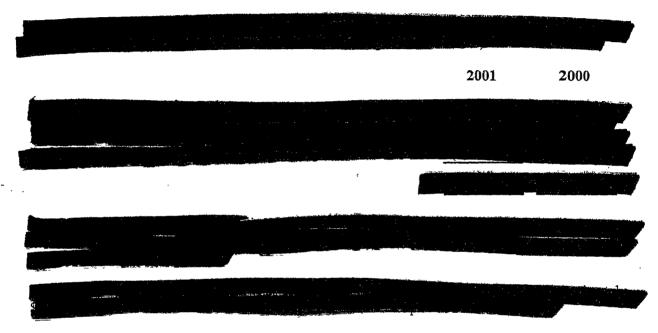


BullsEye Telecom,Inc. Notes to Financial Statements

5. Preferred Stock (continued)



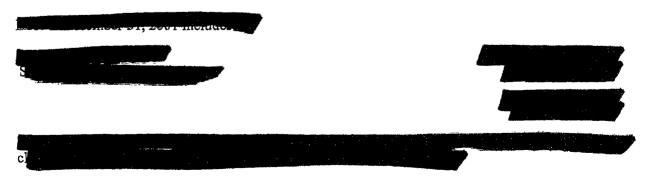
6. Income Taxes



7. Commitments

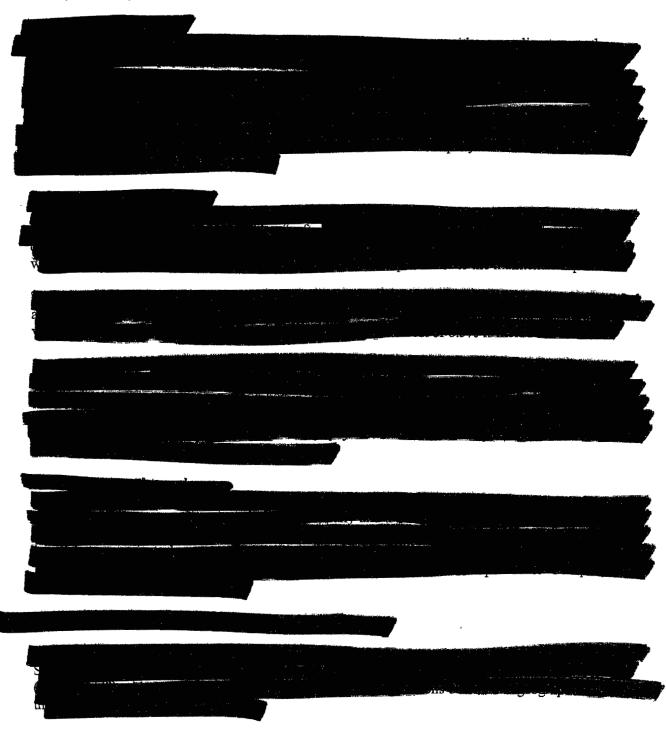


8. Debt



BullsEye Telecom,Inc. Notes to Financial Statements

8. Debt (continued)





BullsEye Telecom,Inc. Notes to Financial Statements

