

ORIGINAL

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December 10, 1999

VIA OVERNIGHT DELIVERY

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

991898-TX

Re: Application of BroadBand Office Communications, Inc. ("BBOC") for a Certificate of Authority to Provide Local Exchange Service ("Application")

Dear Sir or Madam:

Enclosed are the original and three (3) copies of the financial statements of BBOC's parent, BroadBand Office, Inc. ("Financial Statements"), which are being filed in connection with the above described Application (which was filed under separate cover). The three (3) copies of the Financial Statements are redacted and "CONFIDENTIAL" is prominently displayed on each page thereof. Pursuant to Florida Statute 364.183(1) and Section 25-22.0065(5)(a) of the Florida Public Service Commission's rules, BBOC requests confidential treatment of the Financial Statements.

Please file the Financial Statements in your usual fashion and return one (1) file-stamped copy of the document to us in the enclosed envelope.

If you have any questions or comments, please call the undersigned.

Sincerely,

*Charles A. Hudak, MS*  
Charles A. Hudak

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMJ \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG CAH/jh
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC Enc.
- RRR cc:
- SEC /
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

Kristin L. Smith, Esq.  
Blumenfeld & Cohen  
(with enclosure)

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

15178 DEC 13 99

FPSC-RECORDS/REPORTING

**AFFIDAVIT**

By my signature below, I attest to the accuracy of the information contained in the attached unaudited financial statements for BroadBand Office, Inc. I have read the attached financial statements and declare that to the best of my knowledge and belief, the information is true and correct.

**BROADBAND OFFICE, INC.**

Wade Taylor

Name: Wade Taylor

Title: Vice President

Sworn to before me this 9th  
day of December, 1999.

[Signature]  
Notary Public

LORI L. MYERS

My Commission expires: JUNE 30, 2001

BroadBand Office, Inc.

Statements of Cash Flows  
Unaudited

For the period  
ended October 31  
1999

Cash flows from operating activities  
Net (loss) earnings  
Add non-cash charges  
    Depreciation and amortization (1)  
    Other non-cash charges  
Net changes in working capital  
    (Increase) decrease in inventory  
    (Increase) decrease in accounts receivable  
    (Increase) decrease in other assets  
    Increase (decrease) in account payable and  
    accrued expenses  
    Increase (decrease) in other liabilities  
Net change in working capital  
Net cash provided by (used in) operating activities

Cash flows from investing activities  
    Capital expenditures  
    Other investing activities  
Net cash used in investing activities

Cash flow from financing activities  
    Issuance of common stock  
    Issuance of preferred stock  
    Issuance (retirement) of long-term debt      BroadBand Office  
Net cash provided by financing activities

PROPRIETARY AND CONFIDENTIAL  
FILED UNDER PROTECTIVE SEAL

BroadBand Office, Inc.

Net (decrease) increase in cash  
Cash & marketable securities at beginning of year  
Cash & marketable securities at end of period

BroadBand Office  
PROPRIETARY AND CONFIDENTIAL  
FILED UNDER PROTECTIVE SEAL

BroadBand Office, Inc.

Statements of Operations  
Unaudited

For the period  
ended October 31  
**1999**

Revenue  
Local Voice  
Long Distance  
FastBreak Internet  
Desktop Internet  
Desktop Value Added  
**Total revenue**  
Cost of sales (1)  
Gross profit  
  
SG&A  
Operating profit  
Interest expense  
Pretax (loss)/income  
  
Income tax provision  
**Net (loss)/income**

BroadBand Office  
**PROPRIETARY AND CONFIDENTIAL**  
FILED UNDER PROTECTIVE SEAL

BroadBand Office, Inc.

Statements of Stockholders' Equity

Unaudited

Period from August 12, 1999 to October 31, 1999

	<u>Shares</u>	<u>Amount</u>	<u>Addl.Pd.in.Cap</u>	<u>Accum.Deficit</u>	<u>Total</u>
Issuance of Common Stock					
Issuance of Preferred Stock					
Net loss for the period through October 31, 1999					
Balance at October 31, 1999					

BroadBand Office  
PROPRIETARY AND CONFIDENTIAL  
FILED UNDER PROTECTIVE SEAL

BroadBand Office, Inc.  
(\$000)

Balance Sheet

<u>Assets</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Current Assets</b>				
Cash, equivalents & marketable securities				
Accounts receivable (1)				
Other current assets				
<b>Total Current Assets</b>				
Property, plant and equipment, gross				
Accumulated depreciation and amortization				
Property, plant and equipment, net				
Other Assets				
<b>Total Assets</b>				
<u>Liabilities and Shareholders' Equity</u>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses (2)				
Other current liabilities				
Total current liabilities				
<b>Long-Term Debt</b>				
<b>Other Liabilities</b>				
<b>Total Liabilities</b>				
<b>Shareholders' Equity</b>				
<b>Total Liabilities and Shareholders' Equity</b>				

BroadBand Office, Inc.  
(\$000)

Statements of Cash Flows

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Cash flows from operating activities</b>				
Net (loss) earnings				
Add non-cash charges				
Depreciation and amortization (1)				
Other non-cash charges				
Net changes in working capital				
(Increase) decrease in inventory				
(Increase) decrease in accounts receivable				
(Increase) decrease in other assets				
Increase (decrease) in account payable and accrued expenses				
Increase (decrease) in other liabilities				
Net change in working capital				
Net cash provided by (used in) operating activities				
<b>Cash flows from investing activities</b>				
Capital expenditures				
Other investing activities				
Net cash used in investing activities				
<b>Cash flow from financing activities</b>				
Issuance of common stock				
Issuance of preferred stock				
Issuance (retirement) of long-term debt				



BroadBand Office, Inc.

(\$000)

Net cash provided by financing activities

Net (decrease) increase in cash

Cash & marketable securities at beginning of year

Cash & marketable securities at end of year

BroadBand Office, Inc.  
(S000)

Statements of Operations

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Revenue</b>				
Local Voice				
Long Distance				
FastBreak Internet				
Desktop Internet				
Desktop Value Added				
<b>Total revenue</b>				
Cost of sales (1)				
<b>Gross profit</b>				
SG&A				
<b>Operating profit</b>				
Interest expense				
Pretax (loss)/income				
Income tax provision				
<b>Net (loss)/income</b>				

BroadBand Office, Inc.

Balance Sheet  
as of October 31, 1999  
Unaudited

Assets

Current Assets

Cash, equivalents & marketable securities

Accounts receivable

Other current assets

Total Current Assets

Property, plant and equipment, gross

Accumulated depreciation and amortization

Property, plant and equipment, net

Other Assets

Total Assets

Liabilities and Shareholders' Equity

Current Liabilities

Accounts payable and accrued expenses

Other current liabilities

Total current liabilities

Long-Term Debt

Other Liabilities

Total Liabilities

Shareholders' Equity

Total Liabilities and Shareholders' Equity