



ORIGINAL

210 N. Park Ave
Winter Park, FL
32789

June 27, 2002
Overnight

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

020630-TI

RE: Confidential Claim for Financial Statements -
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: fli0200a

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CONFIDENTIAL

BullsEye Telecom, Inc.

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

CONFIDENTIAL

BullsEye Telecom, Inc.

Report on Audits of Financial Statements

For the Years Ended December 31, 2001 and 2000

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BullsEye Telecom, Inc.
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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.

PricewaterhouseCoopers LLP

April 22, 2002

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

	2001	2000
Assets		
Current assets		
Cash and cash equivalents	[REDACTED]	[REDACTED]
Accounts receivable	[REDACTED]	[REDACTED]
Other current assets	[REDACTED]	[REDACTED]
Total current assets	[REDACTED]	[REDACTED]
Property and equipment		
Less - accumulated depreciation and amortization	[REDACTED]	[REDACTED]
Net property and equipment	[REDACTED]	[REDACTED]
Total assets	[REDACTED]	[REDACTED]
Liabilities		
Current liabilities		
Trade accounts payable	[REDACTED]	[REDACTED]
Accrued liabilities	[REDACTED]	[REDACTED]
Accrued liabilities from discontinued operations	[REDACTED]	[REDACTED]
Deferred revenue	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Debt, current	[REDACTED]	[REDACTED]
Total current liabilities	[REDACTED]	[REDACTED]
Redeemable, convertible preferred stock, common stock and other stockholders' equity		
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Accumulated deficit	[REDACTED]	[REDACTED]
Total redeemable, convertible preferred stock, common stock and other stockholders' equity	[REDACTED]	[REDACTED]
Total liabilities and redeemable, convertible preferred stock, common stock and other stockholders' equity	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of the financial statements.

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

	2001	2000
Revenue		
Sales of communication services and equipment	[REDACTED]	[REDACTED]
Costs and expenses		
Costs of communication services and equipment	[REDACTED]	[REDACTED]
Sales and marketing expenses	[REDACTED]	[REDACTED]
Operation expenses	[REDACTED]	[REDACTED]
General and administrative expenses	[REDACTED]	[REDACTED]
Total operating expenses	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Interest and other income	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of the financial statements.

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

	2001	2000
Cash flows used in operating activities		
[REDACTED]		
[REDACTED]		
Depreciation and amortization	[REDACTED]	[REDACTED]
Non-cash compensation	[REDACTED]	[REDACTED]
Changes in operating assets and liabilities		
Accounts receivable	[REDACTED]	[REDACTED]
Prepaid and other assets	[REDACTED]	[REDACTED]
Accounts payable	[REDACTED]	[REDACTED]
Other current liabilities	[REDACTED]	[REDACTED]
Net cash used in operating activities	[REDACTED]	[REDACTED]
Net cash used in investing activities		
Purchase of property and equipment	[REDACTED]	[REDACTED]
Net cash flows from financing activities		
Proceeds from sale of stock, net of issuance costs	[REDACTED]	[REDACTED]
Payments on notes payable	[REDACTED]	[REDACTED]
Proceeds from exercise of employee option	[REDACTED]	[REDACTED]
Net cash provided by (used in) financing activities	[REDACTED]	[REDACTED]
Net (decrease) increase in cash	[REDACTED]	[REDACTED]
Cash, beginning of period	[REDACTED]	[REDACTED]
Cash, end of year	[REDACTED]	[REDACTED]
Supplemental disclosure of cash flow information		
Cash paid for interest	[REDACTED]	[REDACTED]
Noncash financing and investing activities		
Debt and other liabilities incurred to acquire property and equipment	[REDACTED]	[REDACTED]

The accompanying notes are an integral part of the financial statements.

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.

Estimates

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:

	2001	2000
Computer and office equipment		
Network equipment		
Leasehold improvements		
Software		
Total		

BullsEye Telecom, Inc. Notes to Financial Statements

3. Lease Commitments

[REDACTED]

Future minimum payments under operating leases for continuing operations are:

2002
2003
2004
2005

[REDACTED]

4. Stock Options

[REDACTED]

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

	Options	Weighted average exercise price
Outstanding at January 1, 2000	[REDACTED]	[REDACTED]
Granted	[REDACTED]	[REDACTED]
Forfeited	[REDACTED]	[REDACTED]
Outstanding at December 31, 2000	[REDACTED]	[REDACTED]
Granted	[REDACTED]	[REDACTED]
Forfeited	[REDACTED]	[REDACTED]
Exercised	[REDACTED]	[REDACTED]
Outstanding at December 31, 2001	[REDACTED]	[REDACTED]
Exercisable at December 31, 2001	[REDACTED]	[REDACTED]

BullsEye Telecom, Inc. Notes to Financial Statements

4. Stock Options (continued)

Exercise Price	Outstanding at Dec 31, 2001	Average remaining contractual life (years)
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[REDACTED]

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.

[REDACTED]

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

	2001	2000
Risk free interest rates	[REDACTED]	[REDACTED]
Expected life, in years	[REDACTED]	[REDACTED]
Expected dividend yield	[REDACTED]	[REDACTED]
Weighted average fair value of options granted with		
Option exercise price at fair value	[REDACTED]	[REDACTED]
Option exercise price below fair value	[REDACTED]	[REDACTED]

5. Preferred Stock

[REDACTED]

BullsEye Telecom, Inc.
Notes to Financial Statements

5. Preferred Stock (continued)

[REDACTED]

6. Income Taxes

[REDACTED]

2001 2000

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. Commitments

Telecommunication services

[REDACTED]

8. Debt

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

BullsEye Telecom, Inc.
Notes to Financial Statements

8. Debt (continued)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

