

April 02, 1999

DEPOSIT

DATE

D121

APR 03 1999

Southeastern Services, Inc.  
P O Box 365  
Macclenny, Florida 32063

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

990431-TX

RE: Application Form

Dear Florida Public Service Commission:

Southeastern Services, Inc. is pleased to submit an application form for Authority to provide Alternative Local Exchange Service with the Sate of Florida.

You should find all documentation requested in the application form. If there is additional information needed or clarification of information, do not hesitate either calling or writing and all efforts will be made to answer.

Thank you very much for your consideration and subsequent approval.

Sincerely,

**SOUTHEASTERN SERVICES, INC.**  
P.O. BOX 365 PH. (904) 259-8600  
MACCLENNY, FL 32063

COMMUNITY NATIONAL BANK  
595 South Sixth St.  
Macclenny, Florida 32063

63-1228  
631

CHECK NO.  
00009622

\*\* TWO HUNDRED FIFTY DOLLARS AND 00 CENTS \*\*

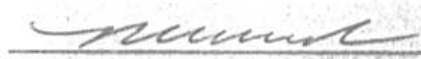
DATE  
04/02/99

AMOUNT  
\*\*\*\*\*25000

009622  
04386 APR-5 1999  
FPSC RECORDS/REPORTING

PAY  
TO THE  
ORDER  
OF

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee FL 32399-0850



MEMO:Application



Security features are included. Details on back.

April 02, 1999

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P O Box 365  
Macclenny, Florida 32063

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Thank you very much for your consideration and subsequent approval.

Sincerely,



Mark Woods  
President

Check received with filing and  
forwarded to Fiscal for deposit.  
Filer to forward a copy of check  
to files with proof of deposit

Initials of person who forwarded check:



DOCUMENT NUMBER-DATE

~~04386 APR 58~~

FISCAL REPORTING

MAIL ROOM  
APR -5 11 9 45  
66

April 02, 1999

Southeastern Services, Inc.  
P O Box 365  
Macclenny, Florida 32063

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Sincerely,



Mark Woods  
President

APR -5 11 9 45  
MAIL ROOM  
66

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \*\***

**DIVISION OF TELECOMMUNICATIONS**  
**BUREAU OF CERTIFICATION AND SERVICE EVALUATION**

**APPLICATION FORM**  
**for**  
**AUTHORITY TO PROVIDE**  
**ALTERNATIVE LOCAL EXCHANGE SERVICE**  
**WITHIN THE STATE OF FLORIDA**

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

**Florida Public Service Commission**  
**Division of Records and Reporting**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6770**

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission**  
**Division of Telecommunications**  
**Bureau of Certification and Service Evaluation**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6600**

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## APPLICATION

1. This is an application for  $\checkmark$  (check one):

( X ) **Original certificate** (new company).

( ) **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

( ) **Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

( ) **Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Southeastern Services, INC.

3. Name under which the applicant will do business (fictitious name, etc.):

Southeastern Services, INC.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

28 West Macclenny Ave. Suite 14

P.O. Box 365

Macclenny, FL 32063

5. Florida address (including street name & number, post office box, city, state, zip code):

Same as above.

\_\_\_\_\_  
\_\_\_\_\_

6. Structure of organization:

- ( ) Individual (X) Corporation  
( ) Foreign Corporation ( ) Foreign Partnership  
( ) General Partnership ( ) Limited Partnership  
( ) Other \_\_\_\_\_

7. **If individual**, provide:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

8. **If incorporated in Florida**, provide proof of authority to operate in Florida:

- (a) The Florida Secretary of State corporate registration number:

P93000042344 (See Attachment.)  
\_\_\_\_\_

9. **If foreign corporation**, provide proof of authority to operate in Florida:

- (a) The Florida Secretary of State corporate registration number:  
\_\_\_\_\_

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) The Florida Secretary of State fictitious name registration number:

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11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) The Florida Secretary of State registration number:

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12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

13. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) The Florida registration number: \_\_\_\_\_

14. Provide **F.E.I. Number**(if applicable): 59-3191884

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

No

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(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No

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16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

**Name:** Mark Woods

**Title:** President

**Address:** P.O. Box 365

**City/State/Zip:** Macclenny, FL 32063

**Telephone No.:** 904-259-8600      **Fax No.:** 904-259-8601

**Internet E-Mail Address:** markwood@qisfl.net

**Internet Website Address:** \_\_\_\_\_

(b) Official point of contact for the ongoing operations of the company:

**Name:** Ken Kirkland

**Title:** V.P. Communications

**Address:** P.O. Box 365

**City/State/Zip:** Macclenny, FL 32063

Telephone No.: 904-259-6503 Fax No.: 904-259-7606

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

(c) Complaints/Inquiries from customers:

Name: Mark Woods

Title: President

Address: P.O. Box 365

City/State/Zip: Macclenny, FL 32063

Telephone No.: 904-259-8600 Fax No.: 904-259-8601

Internet E-Mail Address: markwood@gisfl.net

Internet Website Address: \_\_\_\_\_

17 List the states in which the applicant:

(a) has operated as an alternative local exchange company.

None

(b) has applications pending to be certificated as an alternative local exchange company.

None

(c) is certificated to operate as an alternative local exchange company.

None

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(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

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(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

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(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

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18. Submit the following:

A. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet: (see attachment)
2. income statement: and (see attachment)

3. statement of retained earnings.

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
  2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
  3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.
- B. **Managerial capability:** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.
- C. **Technical capability:** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

**\*\* APPLICANT ACKNOWLEDGMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

<u><i>Mark Wink</i></u>	<u>4-2-99</u>
Signature	Date
<u>President</u>	<u>904-259-8600</u>
Title	Telephone No.
Address: <u>P.O. Box 365</u>	<u>904-259-8601</u>
<u>Macclenny, FL 32063</u>	Fax No.

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT
- GLOSSARY



**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) N/A - New

(Title) \_\_\_\_\_ of (Name of Company) \_\_\_\_\_

and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_  
\_\_\_\_\_, have reviewed this application and join in the petitioner's request for  
a:

- ( ) sale
- ( ) transfer
- ( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

<u><i>Mark [Signature]</i></u>	<u>4-2-99</u>
Signature	Date
<u>President</u>	<u>904-259-8600</u>
Title	Telephone No.
Address: <u>P.O. Box 365</u>	<u>904-259-8601</u>
<u>Macclenny, FL 32063</u>	Fax No.

**INTRASTATE NETWORK** (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. **POP:** Addresses where located, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) _____	2) _____
_____	_____
3) _____	4) _____
_____	_____

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

<u>POP-to-POP</u>	<u>OWNERSHIP</u>
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

**Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."**

**UTILITY OFFICIAL:**

<u><i>Mark West</i></u>	<u>4-2-99</u>
Signature	Date
<u>President</u>	<u>904-259-8600</u>
Title	Telephone No.
Address: <u>P.O. Box 365</u>	<u>904-259-8601</u>
<u>Macclenny, FL</u>	Fax No.
_____	
_____	

*Mark Woods  
P O Box 1  
Macclenny, Fl. 32063  
904-259-4284*

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#### CAREER SUMMARY

Demonstrated accomplishments in management, planning, sales and marketing, and development of Personnel, Contract Maintenance, E-911, and Internet Companies.

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#### EDUCATION

**Baker County High School**  
Major: Economics, Math, Spanish  
Certification: G.P.A. 3.8, High Honors

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#### PROFESSIONAL EXPERIENCE

**Owner**

*Southeastern Services, Inc. 1993 to present*

Currently operating Southeastern Services, Inc. a personnel company as well as contracting. SSI specializes in contract maintenance, Enhanced 911 mapping and addressing, Internet Service Provider and various personnel placement services.

**Owner**

*Consolidated Industrial Skills Coprration 1980-1992*

Founded CISCO, a professional and skilled labor provider company, and built it into annual sales in excess of \$27 Million Dollars. Company was sold in 1992 to Ogden Services.

**Past Board of Directors**

*Baker County Chamber of Commerce*

**Special Board of Directors Selection**

**Okeefenokee Rural Electric**

**Purpose of board was to revise voting and election rules that had been on books for many years.**

---

#### ACTIVITIES/INTERESTS

Family, Church, Softball, Golf

**Kenneth Kirkland**  
1165 South 6th Street  
Macclenny, FL 32063  
Work 904.259.1300  
Fax 904.259.7606  
Cellular 904.571.2502  
ktv@qisfl.net

## **PRINCIPAL ABILITIES**

- Business administrator , Technical expertise in building computer systems and computer networks, ability to comprehend and implement complex electronic systems. A successful business owner for over 26 years.

## **SUMMARY OF ACCOMPLISHMENTS**

- Started and maintained many different businesses simultaneously over the course of 26 years, ie TV Repair, Radio Shack Dealer, Internet Service Provider, Pager Business, Cellular dealer, Computer network specialist and Telephone service and equipment consultant . Technical advisor for Enhanced 911 Mapping Project for Baker and Union Counties.

## **EDUCATION**

**Murray State University, Murray, Kentucky**  
**B.S., Industrial Education, Minor: Agriculture, 1971**  
GPA: 2.84, Major GPA: 3.20. Varsity Football Scholarship (2) Years

## **PROFESSIONAL EXPERIENCE**

**Kirkland TV Inc., Macclenny, Florida**  
**President, 1973 - Present**

Successful business owner since 1973. Has demonstrated administrative skills as well technical expertise in staying on the cutting edge of the technology boom. Currently involved in the day to day operation of a paging company, Internet Service Provider, AT&T Wireless Dealer for 10 years. Long distance service provider as well as provide ISDN installation and setup. Design and install computer network systems. ie computer network wiring, fiber optic cable installation.

## **HONORS AND ACTIVITIES**

- Promise Keeper Leader, Mission church builder in Central America for the past 4 years,
- past Gidgeon member.

**David Brian Combs**

Route 2 , Box 1768  
Glen St. Mary, Fl 32040  
Home Phone : 904-259-4903  
Work Phone : 904-845-1157

**Objective:** To secure a challenging position within the FAA organization

**Experience**

May 1984 to Present MCI Telecommunications Corp 160 Ellison Rd., Baldwin Florida  
**Technical Specialist III**

I am presently an on-site contractor to the FAA for MCI at the ZJX ARTCC site in Hilliard Florida. I have been responsible for the installation and maintenance of the LINCS backbone equipment and all of the associated circuit installation and maintenance that has taken place to date. The transition of voice and data circuits, ( both analog and digital ) to the MCI LINCS network is my nearly completed objective.

Prior to the LINCS contract, I have worked at the MCI JKV ( Jacksonville FL) Terminal, at 550 Water St, Jacksonville as a technical specialist, beginning as an Outside Plant technician and most recently as the senior technician in charge of the Installation Dept.

March 1980 to March 1984 U.S.A.F. Patrick AFB Cocoa Beach, Florida  
**E-4**

Served as an Outside Plant Telephone Repairman in the 2nd Combat Communications Group. Participated in many JCS exercises and special Air Force Telephone system installation projects. Became a journeyman technician in the installation and maintenance of several different telephone key / switching systems including the 302A mobile switching system for mobile Air Traffic Control Tower deployment.

**Education:** Community College of the Air Force Maxwell AFB, Alabama 36112  
1980-82

- 27 semester hours toward AA

Baker County High School Macclenny, Florida  
H.S. Diploma 1977

- Senior Class V.P., voted Most Friendly

**Additional Training (formal)**

Telephone Equipment Installer / Specialist  
Telephone Fundamentals  
Telephone Substation Installation  
Key System / Four Wire Circuitry  
AC Circuits  
DC Circuits  
RCL Circuits  
Basic Solid State Theory  
Fiber Optic Repair  
Packet Switching  
MCI Administrative Database Systems  
1A1 Key System Installation and Maintenance  
1A2 Key System Installation and Maintenance  
302A Mobile Switching System Installation and Maintenance  
Electronic Key System Installation and Maintenance  
Terminal Technician I  
Terminal Technician II  
Terminal Technician III  
Digital Transmission Maintenance  
Functional use of the Oscilloscope  
Teltronics 1/0 DXC Maintenance  
Digital Switch Cooperation DXC 1/0 Maintenance I  
Data Transmission Systems I  
Data Transmission Systems II  
AC/DC Power Plant Maintenance  
KARKAR M13 Maintenance  
Newbridge 3600 Installation and Maintenance  
Newbridge 3624 installation and Maintenance  
Newbridge 3645 Installation and Maintenance  
Newbridge 4602 Installation and Maintenance  
Advanced First Aid  
Advanced Driving Techniques  
Personal Financial Management  
Leadership Phase I  
Environmental Hazards

**Additional Training and Skills (OJT):**

Various Test Equipment That I am skilled in the use of

Volt / Ohmmeter  
Oscilloscope  
HP Signal Generator  
HP Multimeter  
Sage 930A Telecommunications test set  
Seirra 809B  
Berry Line tester  
Firebird 6000 Digital test set  
ADC Digital Line tester  
Wilcom 308 Digital test set  
T-bird 209 T-1 tester  
T-bird 310 DS3 test set  
HP 4935  
Heikemian 3701  
Heikemian field test set  
Dracon Buttset  
DSC Interactive Digital Test System  
Heikemian REACT automated testing system

Various Equipment that I have Installed / Maintained

1A2 Key System  
Tie/ Rolm /Northern Tel /Toshiba Electronic Key Systems  
Rockwell / Northern Tel / KarKar / Telco Systems /Erikson / Fujitsu  
M13's (digital mutiplexers)  
Rockwell / Northern Tel / Telco Systems / Newbridge  
Channel Banks  
Telco System 560 (7,064 channel digital multiplexer)  
Northern Tel 3/12 same es above  
Rockwell Microwave Radio  
Northern Tel TMUX  
Erickson TMUX  
DTS Echo Cancellor  
DSC Echo Cancellor  
Danray 1000 switch  
DSC 400 switch  
DSC 600 / 600E switch (50,000 port switch)



DSC 1/0 / 3/1 DXC (digital cross connect)  
IBM mainframe  
3M 12" tapedrive  
6wire test boards  
Copper Cablehead Mainframe  
Various DC/AC transformers and battery plants  
Various PC software programs  
Various MCI computer systems  
Analog Modems  
Digital Service Units (DSU's)  
Newbridge 3600,3645,4601,3624 Multiplexing Equipment  
and associated systems  
All LINC'S specific equipment, such as Netwatch and Sotas  
monitoring devices, Tellabs JAM-11 equipment, Dynatech X.25 packet  
switch, IPC-400 remote data equipment.  
Tellabs, Inteliport and other remote conditioning units for  
telephone / data lines  
remote transponders of various types  
Heikernian REACT automated testing system

**Accomplishments:**

**Summary**

I have 16 1/2 years experience in the telecommunications field. I have been a Senior Technician with MCI telecommunications since 1991.

I am currently the Senior technician in charge of the MCI LINCS network in the ZJX ARTCC airspace.

I have primary responsibility for the ARTCC site and am self supervised at this site. I have independently installed and currently maintain all of the LINCS associated equipment, I also am solely responsible for all diagnoses, troubleshooting, upgrading of the equipment on site. I have developed and implemented various Preventive Maintenance programs, Circuit Records Databases, Circuit Identification and troubleshooting procedures and have successfully trained others in their use.

I have performed extensive testing, analysis and certification of over 200 various types of circuits for the FAA since 1993 and assisted with the successful cutover and transition of same to the FAA's existing equipment.

I am also secondarily responsible for all LINCS sites in the ZJX airspace such as Gainesville AFSS, JAX TRACO and etc, and have successfully trained MCI personnel in their roles as the Primary technicians for those sites.

As a Senior Technician for MCI, I have the highest and most Technologically up to date Training available on a wide variety of highly complex equipment and am highly skilled in the most advanced test equipment available and the various troubleshooting theory and techniques for their use. My skills at diagnosing, analyzing and repairing telephony problems are of the highest degree and the wide range of knowledge that I possess in such diverse areas as switching, multiplexing, transmission, customer premise equipment, and outside plant technology is virtually unheard of in an industry of specialist.

I feel that I could be a valuable asset to your organization.

**References:** Available upon request

Route 1 Box 1515  
Glen St. Mary, FL 32040  
Work 904-332-3004  
Home 904-259-1974

# Brian Finley

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## Summary of qualifications

1985 - 1990                      Alpha Microsystems                      Lenexa, Kansas  
**Branch Field Engineering Manager**

Reported to Regional Field Service Manager. Managed customer base of 350 customers and 8 Field Service Engineers with revenues in excess of \$1M.

1990 - 1995                      Alpha Microsystems                      Santa Ana, California  
**Service Operations Manager**

Report to Vice President, Service. Manage 6 departments with a combined staff of 27 people to support 8000 customers and 50 nationwide service locations with revenues in excess of \$18M. Departments include: Customer Service Dispatch, Contracts Administration, Warranty Administration, Logistics, Repair and Rework (production and customer), National Network and Power and Environmental Support.

1995 - 1996                      Alpha Microsystems                      Santa Ana, California  
**Professional Services Manager**

Report to Vice President, Service. Develop and implement network business unit with anticipated revenues in excess of 2 million dollars. Complete P&L responsibility using shared employee resources.

1996 - 1998                      PSS World Medical, Inc.                      Jacksonville, Florida  
**Director Voice & Data Communications**

Report to CFO. Design and implement 110 location ATM WAN. This is currently the largest per port converged network on AT&T's ATM backbone. Complete fiscal responsibility for \$4M annual budget.

1998 - Present                      PSS World Medical, Inc.                      Jacksonville, Florida  
**Chief Technical Officer**

Report to CFO. Responsibilities include overseeing support of ATM WAN, enterprise management platform, voice communications platforms and evaluation of all leading edge technologies driving business efficiencies. Complete fiscal responsibility for \$4M annual budget and a staff of 10 technical resources.

**Education**

1993 - 1994 Quick Start Technologies Newport Beach, California

**MCSE**

- Microsoft Certified Systems Engineer

1994

3Com

San Jose, California

**Netbuilder II Certified**

- Certified in 3Com WAN Products

1998

Bay Networks

Billerica, MA

**BayRs Router Certification**

- Certified in Bay Networks Wan Products

**Professional memberships**

North Florida Information Technology Consortium

AT&T Customer Advisory Council on ATM

**Community activities**

Board Member Woodcrest Little League and have managed Little League teams 1992 - 1996.

Baker County Little League member and manage Little League T-Ball team in 1999.

**References**

Available upon request.

**Objective**

To consult with a local ILEC on issues of connectivity and convergence of the voice and data networks. To continue to develop leading edge networks to reduce cost and increase efficiency.

## FINANCIAL CAPABILITY

Southeastern Services, Inc. has the financial capability to provide the requested service in the Baker County, Florida area.

At present, there are approximately 8,300 lines of service including the multiple lines at various businesses, schools, government offices, etc. As you will see from our balance sheet and income statements, there are sufficient assets to properly serve the requested area.

In addition, we own the building that will house our service. There are no mortgage payments and the building consists of 2500 square feet plus 1000 square feet of storage area. We realize this is more space than we will need for a considerable period of time.

Lastly, Kenneth Kirkland and myself have agreed to pledge any personal assets needed to properly expand the business.



CNB National Bank  
595 South Sixth Street  
Macclenny, Florida 32063  
Telephone: (904) 259-2245  
FAX: (904) 259-5155

March 19, 1999

Florida Public Service Commission  
Division of Records and Recording  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399

To Whom It May Concern:

Mark Woods has been an outstanding customer of CNB National Bank since December 1992. The company he founded, Southeastern Services, Inc., also banks with CNB National Bank and has both a deposit and lending relationship. All of Mr. Woods' accounts are kept current and have been handled in an exceptional manner.

Mr. Woods is very active in his community participating in various civic and religious organizations. I have had the opportunity of knowing him personally for the past eighteen years. His reputation within the local civic and business community is excellent.

If you have any questions or if there is any way I can be of further assistance, please do not hesitate to call me at 904-259-2245. Thank You.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Hodges", written over a horizontal line.

James C. Hodges  
Assistant Vice President

## CREDIT REFERENCES

**Company Name:** Southeastern Services, Inc.  
**Company Address:** 28 W. Macclenny Ave., Suite 14  
Macclenny, Fl. 32063  
**Mailing Address:** P. O. Box 365  
Macclenny, Fl. 32063

**Phone:** (904) 259-8600  
**Fax:** (904) 259-8601

**Nature of Business:** Maintenance and Mechanical Contractor, E-911 Contractor  
Internet Service Provider, Semi-skilled/Skilled Labor Provider

**Date Opened:** June, 1993

**Type of Ownership:** Corporation / Incorporated under the Laws of the State of Florida

**FEIN:** 59-3191884

**Principal Owner/Officers:** Mark Woods, Owner and President  
Ken Kirkland, V.P. Operations  
Marc A. Woods, Secretary/Treasurer

**Dunns #:** 872980008

**BANK REFERENCE:** CNB National Bank                      Acct#: 0404731201  
Attn: Jamie Hodges  
595 S. 6th St.  
Macclenny, Fl. 32063  
(904) 259-2245

### CREDIT REFERENCES:

Ford New Holland Credit  
Acct#: 0593191884 08170001  
P. O. Box 109  
Tucker, Ga. 30085  
(800) 777-0552

Ford New Holland Credit  
Acct#: 0593191884 08170003  
P. O. Box 109  
Tucker, Ga. 30085  
(800) 777-0552

CNB National Bank  
Acct#: 000404731271  
201 N. Marion St.  
Lake City, Fl. 32055-3932

CNB National Bank  
Acct#: 000404731270  
201 N. Marion St.  
Lake City, Fl. 32055-3932



## Additional Credit References

Bennetts Ace Hardware  
8080 West Beaver St.  
Jacksonville, Fl. 32220  
(904) 786-3706

Pride Equipment Company  
P. O. Box 40824  
Jacksonville, Fl. 32203-0824  
Customer No.: 6611  
(904) 786-1056

L. V. Hiers, Inc.  
P. O. Box 1229  
Macclenny, Fl. 32063-1229  
(904) 259-2314

NAPA - Macclenny Motor Parts, Inc.  
264 W. Macclenny Ave.  
Macclenny, Fl. 32063  
Acct. #: 01665  
(904) 259-2851

Bernies Tool and Fastener Services, Inc.  
4211 Highway Avenue.  
Jacksonville, Fl. 32254  
Customer No.: 2744  
(800-940-8005

*John G. Kinkland*  
\_\_\_\_\_  
Corporate Secretary

TRW BUSINESS PROFILE  
565636;SOUTHEASTERN SERVICES INC;MACCLENNY FL

\*\*\* FOR DEMONSTRATION PURPOSES ONLY - THIS REPORT NOT TO BE SOLD \*\*\*

PAGE	RPT DATE	TIME	PORT	TYPE	ORG
1	08-22-98	13:26:28	C200	PROFILE	030

SOUTHEASTERN SERVICES INC  
28 W MACCLENNY AVE STE 10  
MACCLENNY FL 32063-2078

FILE NO: F02134067  
DATE INCORPORATED: JUNE 1988  
PHONE: 904 359 8900

### EXECUTIVE SUMMARY

DAYS BEYOND TERMS (DBT) FOR SOUTHEASTERN SERVICES INC  
AS OF 08-22-98 : 0 \*\* THIS BUSINESS IS PAYING, ON AVERAGE,  
PREDICTION FOR 10-14-98 : 1 0 DAY(S) LATER THAN INVOICE DUE DATE.\*\*

DBT NORMS  
ALL INDUSTRIES: 9

DBT RANGES BASED ON CURRENT PAYMENT BEHAVIOR:  
THIS BUSINESS'S RANGE === 80% OF U.S. BUSINESSES HAVE A DBT OF 0-15,  
11% OF U.S. BUSINESSES HAVE A DBT OF 16-30,  
5% OF U.S. BUSINESSES HAVE A DBT OF 31-90,  
4% OF U.S. BUSINESSES HAVE A DBT OF OVER 90.

### HISTORICAL PAYMENT GUIDE

6 MONTH ACCOUNT BALANCE RANGE : \$49200-\$64800 (CURRENT STATE \$49,200)  
HIGHEST CREDIT AMOUNT EXTENDED: \$71700 (MEDIAN: \$70,000)  
PAYMENT TREND INDICATION : STABLE

### SIGNIFICANT PUBLIC RECORD DATA:

1 OF 4 UCC FILINGS PLEDGED WITH ONE OR MORE OF THE FOLLOWING CATEGORIES:  
HEREAFTER ACQUIRED PROP

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TRW BUSINESS PROFILE

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PAGE 2 08 22-98 SOUTHEASTERN SERVICES INC FILE NO: F00104007

TRADE PAYMENT INFORMATION

TRADE PAYMENT EXPERIENCES  
(TRADE LINES WITH AN (\*) AFTER DATE REPORTED ARE NEWLY REPORTED)

BUSINESS CATEGORY	DATE REPTD	LAST SALE	PAYMENT TERMS	RECENT HIGH CREDIT	BALANCE	ACCOUNT STATUS				COMMENTS	
				\$	\$	CUR	30	60	90		91+
+CELLUL/PAG	06-98	06-98	NET 30	700	700	100%					1 YR
+FINCL SVCS	07-98	03-98	REVOLVE	500	100	73%	17%				
+FINCL SVCS	07-98	07-98	CONTRCT	71700	48400	100%					SATISFY

PAYMENT TOTALS

CONTINUOUSLY REPORTED( 3): 72900 49200 100% TOT: 0

ADDITIONAL PAYMENT EXPERIENCES

+AIR TRANS	02-98	03-98	NET 15	300	200	100%					1 YR
+CRED CARD	04-98	04-98	N3OPRXO	500	500	100%					
+FINCL SVCS	10-97	09-97	CONTRCT	36900	0						

PAYMENT TRENDS  
(BASED ON CONTINUOUSLY REPORTED TRADE LINES)

AS OF	BUSINESS DBT	BALANCE \$	DAYS PAST DUE				
			CUR	30	60	90	91+
08-22-98:	0	49200	100%				
07-01-98:	0	50400	100%				
06-01-98:	0	52500	100%				
05-01-98:	0	52500	100%				
04-01-98:	0	52200	100%				
03-01-98:	0	56800	100%				
02-01-98:	0	64600	100%				

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## TRW BUSINESS PROFILE

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PAGE 3 08 22-98 SOUTHEASTERN SERVICES INC

FILE NO: 401134067

## PAYMENT HISTORY -QUARTERLY AVERAGES

	DBT	BALANCE \$	CUR %	DAYS PAST DUE		
				31	60	90
2ND-Q-98 (APR-JUN):	0	51700	100%			
1ST-Q-98 (JAN-MAR):	0	57800	100%			
4TH-Q-97 (OCT-DEC):	0	67000	100%			
3RD-Q-97 (JUL-SEP):	0	72700	100%			
2ND-Q-97 (APR-JUN):	0	0				

## PUBLIC RECORD INFORMATION

## UCC PROFILE

UCC FILED 03-04-97 970000045844, SEC OF STATE FLORIDA  
 SECURED PTY: NEW HOLLAND CREDIT COMPANY TUCKER GA  
 COLLATERAL: EQUIP

UCC FILED 10-21-96 960000222367, SEC OF STATE FLORIDA  
 SECURED PTY: VERMEER SOUTHEAST SALES & SERV ORLANDO FL  
 ASSIGNEE: THE CIT GROUP/EQUIPMENT FINANC TEMPE AZ  
 COLLATERAL: EQUIP, HEREAFTER ACQUIRED PROP

UCC FILED 12-04-95 950000242897, SEC OF STATE FLORIDA  
 SECURED PTY: FORD NEW HOLLAND CREDIT TUCKER GA  
 COLLATERAL: UNDEFINED

UCC FILED 06-02-95 950000111002, SEC OF STATE FLORIDA  
 SECURED PTY: FORD NEW HOLLAND CRDIT CO. TUCKER GA  
 COLLATERAL: EQUIP

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TRW BUSINESS PROFILE

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COMPANY BACKGROUND INFORMATION

THE FOLLOWING WAS PROVIDED BY THE STATE OF FLORIDA.

HISTORY : BUSINESS INCORPORATED ON JUNE 9, 1993 AS A FOR PROFIT CORPORATION. FEDERAL TAX ID IS 593191884. CHARTER NUMBER IS P930042344.
CURRENT STATUS : ACTIVE BUSINESS WITH MOST RECENT FILING ON JANUARY 27, 1997. AGENT IS AKEL DANIEL J.
PRINCIPAL(S) : KELLY WOODS, OWNER

ADDITIONAL BACKGROUND INFORMATION:

NO. OF EMPLOYEES : 7
ESTIMATED SALES : \$750,000

INQUIRIES

Table with columns: BUSINESS CATEGORY, 1998 (AUG, JUL, JUN, MAY, APR, MAR, FEB, JAN), 1997 (DEC). Rows include CRED CARD and TOTALS.

\*\*\* NEW EXPERIAN COMMUNICATION SOFTWARE IS COMING SOON \*\*\*
\*\*\* WINDOWS AND DOS VERSIONS AVAILABLE \*\*\*
\*\*\* YEAR 2000 READY -- UPGRADE NOW \*\*\*

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FLORIDA DEPARTMENT OF STATE  
Jim Smith  
Secretary of State

June 15, 1993

Holbrook, Akel, Cold, Akel & Holbrook, P.A.  
Independent Square  
1 Independent Drive Suite 2301  
Jacksonville, FL 32202-5059

The Articles of Incorporation for SOUTHEASTERN SERVICES, INC. were filed on June 9, 1993, and assigned document number P93000042344. Please refer to this number whenever corresponding with this office.

A corporation annual report will be due this office between January 1 and May 1 of next year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding corporations, please contact this office at the address given below.

Sincerely,  
Brenda Baker  
Corporate Specialist  
New Filings Section  
Division of Corporations

Letter Number: 093A00119454

ARTICLES OF INCORPORATION  
OF  
SOUTHEASTERN SERVICES, INC.

FILED  
93 JUN -9 11:43  
SECRETARY OF STATE  
TALLAHASSEE FLORIDA

The undersigned incorporator to these Articles of Incorporation, a natural person competent to contract, hereby forms a corporation under the laws of the State of Florida.

ARTICLE I

The name of this corporation is: SOUTHEASTERN SERVICES, INC.

ARTICLE II

The general nature of the business to be transacted by this corporation is:

To engage in any activity or business permitted under the laws of the United States and of this state.

To the same extent as natural persons might or could do, to purchase or otherwise acquire, and to hold, own, maintain, work, develop, sell, lease, exchange, hire, convey, mortgage or otherwise to dispose of and deal in, lands and leaseholds, and any interest, estate, and rights in real property, and any personal or mixed property, and franchises, rights, licenses or privileges necessary, convenient appropriate for any of the purposes herein expressed.

To manufacture, purchase, or otherwise acquire, and to own, mortgage, pledge, sell, assign, transfer, or otherwise to dispose of, and to invest in, deal in and with, goods, wares, merchandise, real and personal property, and services of every class, kind and description, now or hereafter permitted by law.

To guarantee, endorse, purchase, hold, sell, transfer, mortgage.

pledge or otherwise acquire or dispose of the shares of the capital stock of, or any bonds, securities, or other evidences of indebtedness created by any other corporation of the State of Florida, or any other state or government, and while owner of such stock to exercise all rights, powers and privileges of ownership, including the right to vote such stock.

To exercise all the powers now granted to this type of corporation under Florida law, and all powers subsequently authorized or granted by law to private corporations.

The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.



ARTICLE III

The maximum number of shares of stock that this corporation is authorized to have outstanding at any one time is:

7,500 Shares of Common Stock of  
par value of \$1.00 per share.

The shareholders shall have preemptive rights.

Cumulative voting shall not be permitted.

The shareholders may, by by-law provision or by written shareholders' agreement, impose such restrictions on the sale, transfer, or encumbrance of the stock of this corporation as they may see fit.

ARTICLE IV

This corporation is to exist perpetually, and its corporate existence shall begin upon filing.

ARTICLE V

The Board of Directors may from time to time move the principal office to any other address in Florida. The initial address of the principal office of this corporation in the State of Florida is:

28 West Macclenny Avenue #10, Macclenny, Florida 32063

ARTICLE VI

The number of directors may be increased or diminished from time to time by By-laws adopted by the Stockholders, but shall never be less than one. Initially, the number of directors shall be two.

ARTICLE VII

The name and post office address of the members of the first Board of Directors are:

<u>Name</u>	<u>Address</u>
MACK E. REIFERS	28 West Macclenny Ave. #10 Macclenny, Florida 32063
MARK WOODS	28 West Macclenny Ave. #10 Macclenny, Florida 32063

ARTICLE VIII

The name and post office address of each incorporator to these Articles of Incorporation:

<u>Name</u>	<u>Address</u>
DANIEL D. AKEL	2301 Independent Square One Independent Drive Jacksonville, Florida 32202

ARTICLE IX

The corporation shall indemnify any and all persons who may serve or who have served at any time as directors or officers, or who at the request of the Board of Directors of the corporation may serve or at any time have served as directors or officers of another corporation in which the corporation at such time owned or may own shares of stock or of which it was or may be a creditor, and their respective heirs, administrators, successors and assigns, against any and all expenses, including amounts paid upon judgments, counsel fees, and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit, or proceeding in which they, or

any of them, are made parties, or a party, or which may be asserted against them or any of them, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in any action, suit, or proceeding to be liable for his own negligence or misconduct in the performance of his duty. Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, by-law, agreement, vote of stockholders, or otherwise, and the corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted by law.

ARTICLE X

The registered office shall be 2301 Independent Square, One Independent Drive, Jacksonville, Florida 32202, and the registered agent at that same address is DANIEL D. AKEL.

ARTICLE XI

These Articles of Incorporation may be amended in the manner provided by law. Every amendment shall be approved by the holder or holders of a majority of the stock entitled to vote thereon.

  
DANIEL D. AKEL

STATE OF FLORIDA

COUNTY OF DUVAL

I hereby certify that on this day, before me, a Notary Public duly authorized in the State and County named above to take acknowledgments, personally appeared DANIEL D. AKEL, to me well known to be the person described as the incorporator in and who executed the foregoing Articles of Incorporation, and he acknowledged before me that he subscribed to those Articles of Incorporation.

WITNESS my hand and official seal in the County and State named above, this 3rd day of June, A. D. 1993.

*Susan Waters*  
\_\_\_\_\_  
Notary Public

My Commission expires:

SUSAN WATERS  
Notary Public-State of Florida  
My Commission Expires  
June 3, 1995  
AA 107729

**ACKNOWLEDGEMENT AND ACCEPTANCE OF  
REGISTERED AGENT**

I hereby am familiar with and accept the duties and responsibilities as registered agent for said corporation.

*Daniel D. Akel*  
\_\_\_\_\_  
DANIEL D. AKEL  
Registered Agent

Lake City  
 Marion Street 904-755-3240  
 Flava Avenue 904-752-5021  
 Fort White 904-497-3133  
 Gainesville  
 34th Street 352-336-7333  
 St Rd 121 352-335-0500



Live Oak  
 White Avenue 904-364-5626  
 South Okeech 904-362-5333  
 Macclenny 904-259-2245  
 Starke 904-963-1296  
 Lake Butler 904-196-2101

SOUTHEASTERN SERVICES INC  
 P O BOX 385  
 MACCLENNY FL 32063

252 ACCOUNT NUMBER  
 L  
 FROM 12/31/98  
 THRU 01/31/99

**REDACTED**

PAGE 1 E0

YEAR 2000  
 WE ARE GETTING READY  
 ARE YOU?

\*\*\*\*\* CHECKING ACCOUNT SUMMARY \*\*\*\*\*

PREVIOUS BALANCE	25,640.16	AVERAGE BALANCE	28,715.38
+ 21 CREDITS	170,097.31	YTD INTEREST PAID	.00
- 236 DEBITS	164,707.45		
- SERVICE CHARGES	.00		
+ INTEREST PAID	.00		
ENDING BALANCE	31,030.02		

\*\*\*\*\* CHECKING ACCOUNT TRANSACTIONS \*\*\*\*\*

DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	TRANSACTION DESCRIPTION
01/04	4,862.83	DEPOSIT - #5 <sup>00</sup> 2/1
01/05	290.00	DEPOSIT
01/06	46,193.34	DEPOSIT
01/06	28,372.41	DEPOSIT
01/06	2,940.00	DEPOSIT
01/07	12,692.81	DEPOSIT
01/07	1,891.20	DEPOSIT
01/11	5,060.16	DEPOSIT
01/11	3,065.44	DEPOSIT
01/13	135.84	DEPOSIT
01/14	1,488.68	DEPOSIT
01/15	1,030.40	DEPOSIT
01/19	1,718.45	DEPOSIT
01/19	290.00	DEPOSIT
01/20	15,000.00	DEPOSIT
01/21	3,091.20	DEPOSIT
01/25	9,026.67	DEPOSIT
01/26	2,045.01	DEPOSIT
01/28	15,895.08	DEPOSIT
01/28	8,910.20	DEPOSIT
01/29	6,417.60	DEPOSIT

CHECKS

DATE	CHECK NO.	AMOUNT	DATE	CHECK NO.	AMOUNT
01/05	9307*	78.00	01/06	9330*	697.17
01/05	9323*	3,351.00	01/07	9331	3,923.60
01/06	9324	356.22	01/11	9332	40.25
01/06	9326*	98.33	01/06	9333	312.39
01/07	9327	149.61	01/08	9334	152.66

Lake City  
 Marion Street 904-755-3240  
 Baya Avenue 904-752-5021  
 Fort White 904-497-3133  
 Gainesville  
 34th Street 352-336-7333  
 St Rd 121 352-335-0500



Live Oak  
 White Avenue 904-363-5026  
 South Opa 904-362-5421  
 Macclenny 904-254-2215  
 Starke 904-963-9696  
 Lake Butler 904-496-2101

SOUTHEASTERN SERVICES INC  
 P O BOX 365  
 MACCLENNY FL 32063

229 ACCOUNT NUMBER  
 FROM 01/31/99  
 THRU 02/28/99

REDACTED

PAGE 1 E0

YEAR 2000  
 WE ARE GETTING READY  
 ARE YOU?

\*\*\*\*\* CHECKING ACCOUNT SUMMARY \*\*\*\*\*

PREVIOUS BALANCE	31,030.02	AVERAGE BALANCE	53,407.14
+ 18 CREDITS	179,858.63	YTD INTEREST PAID	.00
- 215 DEBITS	130,246.26		
- SERVICE CHARGES	.00		
+ INTEREST PAID	.00		
ENDING BALANCE	80,642.40		

\*\*\*\*\* CHECKING ACCOUNT TRANSACTIONS \*\*\*\*\*  
 DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	TRANSACTION DESCRIPTION
02/01	38,002.77	DEPOSIT
02/03	8,719.70	DEPOSIT
02/04	6,451.73	DEPOSIT
02/04	4,600.00	DEPOSIT
02/05	4,029.00	DEPOSIT
02/08	2,950.00	DEPOSIT
02/09	2,995.50	DEPOSIT
02/10	290.00	DEPOSIT
02/12	3,200.00	DEPOSIT
02/16	49,000.00	DEPOSIT
02/16	1,593.07	DEPOSIT
02/17	2,503.20	DEPOSIT
02/18	8,010.85	DEPOSIT
02/18	4,848.62	DEPOSIT
02/22	18,290.05	DEPOSIT
02/22	13,800.00	DEPOSIT
02/25	10,931.94	DEPOSIT
02/25	1,642.20	DEPOSIT

CHECKS

DATE	CHECK NO	AMOUNT	DATE	CHECK NO	AMOUNT
02/10	18826	164.48	02/03	9405	52.58
02/03	9390 ✓	84.00	02/01	9413*	37.28
02/03	9393* ✓	197.60	02/02	9414	600.00
02/04	9397*	17.89	02/08	9415	72.00
02/08	9399*	1,450.00	02/02	9416	106.49
02/03	9401*	105.39	02/05	9417	30.17
02/17	9403*	164.30	02/16	9418	46.50
02/05	9404	411.82	02/03	9422*	78.85

Lake City  
 Main Street 904 755 3240  
 Bay Avenue 904 752 5021  
 Fort White 904 497 3133  
 Gainesville  
 14th Street 352 336 7337  
 St. Rd. 121 352 335 0500



Live Oak  
 White Avenue 904 361 5626  
 South Blvd 904 362 5111  
 Macclenny 904 259 2115  
 Starke 904 963 9000  
 Lake Butler 904 196 2401

SOUTHEASTERN SERVICES INC  
 P O BOX 365  
 MACCLENNY FL 32063

298 ACCOUNT NUMBER  
 FROM 11/30/98  
 THRU 12/31/98

REDACTED

PAGE 1 E0

YEAR 2000  
 WE ARE GETTING READY  
 ARE YOU?

\*\*\*\*\* CHECKING ACCOUNT SUMMARY \*\*\*\*\*

PREVIOUS BALANCE	38,159.54	AVERAGE BALANCE	30,430.77
+ 24 CREDITS	153,697.17	YTD INTEREST PAID	.00
- 279 DEBITS	166,216.55		
- SERVICE CHARGES	.00		
+ INTEREST PAID	.00		
ENDING BALANCE	25,640.16		

\*\*\*\*\* CHECKING ACCOUNT TRANSACTIONS \*\*\*\*\*

DEPOSITS AND OTHER CREDITS

DATE	AMOUNT	TRANSACTION DESCRIPTION
12/01	290.00	DEPOSIT ✓
12/03	12,190.60	DEPOSIT ✓
12/04	85.66	DEPOSIT 16c ✓
12/07	710.00	DEPOSIT ✓
12/07	97.00	DEPOSIT ✓
12/08	2,586.50	DEPOSIT ✓
12/08	2,069.71	DEPOSIT ✓
12/09	10,000.00	DEPOSIT ✓
12/11	3,215.96	DEPOSIT ✓
12/11	2,699.86	DEPOSIT ✓
12/14	44,946.27	DEPOSIT ✓
12/14	10,951.51	DEPOSIT ✓
12/14	4,070.20	DEPOSIT ✓
12/16	15,102.80	DEPOSIT ✓
12/17	3,355.20	DEPOSIT ✓
12/18	3,782.40	DEPOSIT ✓
12/21	9,637.84	DEPOSIT ✓
12/21	1,610.40	DEPOSIT ✓
12/21	400.00	DEPOSIT ✓
12/23	6,597.55	DEPOSIT ✓
12/28	8,771.17	DEPOSIT ✓
12/29	1,036.15	DEPOSIT ✓
12/30	4,298.20	DEPOSIT ✓
12/31	5,214.19	DEPOSIT ✓

CHECKS

DATE	CHECK NO.	AMOUNT	DATE	CHECK NO.	AMOUNT
12/01	9166*	1,400.00	12/01	9193*	987.52
12/08	9175*	39.59	12/02	9194	86.20

Date : 03/24/99  
Time : 10:44 AM

Southeastern Services, Inc.  
P O Box 365

Page no. 1

28 W. Macclenny Avenue, Suite 14  
Macclenny, Florida 32063

*I certify these statements  
are true and accurate to  
the best of my ability.*

As of 03/31/99

BALANCE SHEET

*Mark Woods,  
President*

Account	Account Name	General Acct	Detail Acct
1	Assets	220890.65	
11	Current Assets	159825.64	
1101	Cash	5600.00	
11014	Petty Cash -Dickie Foster		200.00
11015	Petty Cash - William Gree		200.00
11016	Petty Cash - Dave Godwin		200.00
11018	Escrow Acct-Mall Purchase		5000.00
1102	Cash In Banks	13091.68	
11021	CNB Operating Account		10909.68
11024	Merrill Lynch Institution		1094.83
11025	Merrill Lynch/Money Marke		1087.17
1105	Accounts Receivable	117247.78	
11051	Accounts Receiv. Module		96247.78
1106	Other Receivables	23886.18	
110610	A/R Rod Taylor		0.00
110611	A/R Chris Moring		328.00
110614	A/R Ken Richardson		36.00
11062	Loans To Officers		7649.30
110621	Loans To CISCO		5883.30
110625	A/R Quality Internet Svc.		19850.00
110628	A/R J.V.		940.00
110629	A/R Baker Land Company		210.00
11063	A/R Employee Advances		-100.00
11065	A/R Employee Tools/Equip		-90.66
11068	A/R Other		119.32
110691	A/R Internal Revenue Serv		7499.00
11070	A/R CE Woods		2200.00
110701	A/R Clerk of Cts		361.92
12	Fixed Assets	41446.41	
1201	Autos & Trucks	32461.46	
12011	Autos-Original Value		54561.64
12012	Accumulated Deprec.-Autos		-22100.18
1202	Furniture & Fixtures	201.94	
12021	Furn & Fix-Original Value		1563.69
12022	Accum. Deprec - Furniture		-1361.75
1204	Machinery & Equipment	8056.86	
12041	Mach/Equip-Original Value		52934.78
12042	Accum. Deprec - Equipment		-44877.92
1205	Office Equipment	726.15	
12051	Off. Equip-Original Value		11049.78
12052	Accum Deprec-Office Equip		-10323.63
13	Deferred Assets	13697.00	
1303	Prepaid Expenses	13697.00	
130312	W/C Dep Ind 9/98 - 9/99		2859.00
130355	Gen Liab Dep Ind 8/98-99		10838.00
14	Other Assets	5921.60	



Date : 03/24/99  
Time : 10:44 AM

Southeastern Services, Inc.  
P O Box 365  
28 W. Macclenny Avenue, Suite 14  
Macclenny, Florida 32063

Page no. 2

As of 03/31/99

BALANCE SHEET

Account	Account Name	General Acct	Detail Acct
1401	Deposits	1755.72	
140112	DEP/Trailridge		1240.00
140114	DEP/Bay Co. Commissioners		0.00
140115	DEP/ 73 W. Railroad		50.00
14012	Leases		310.72
14013	Dep/FPL Unit # 2		155.00
1402	Long Term Investments	4165.88	
14022	Purchase of Mall		900.00
14023	Deposit-Luke Realty		1845.88
14024	Deposit-P.O.Bid Property		1420.00
	Total Assets		220890.65

Date : 03/24/99  
Time : 10:44 AM

Southeastern Services, Inc.  
P O Box 365  
28 W. Macclenny Avenue, Suite 14  
Macclenny, Florida 32063

Page no. 3

As of 03/31/99

BALANCE SHEET

Account	Account Name	General Acct	Detail Acct
2	Liabilities	38839.46	
21	Short Term Liabilities	19482.47	
2101	Accounts Payable		7043.16
2103	Accrued Liabilities	8262.14	
210374	GL Ind Accrued 8/98-8/99		8262.14
2104	Taxes Payable	2444.68	
21041	Payroll Taxes Payable	2428.35	
210411	Federal Payroll Taxes		0.00
210414	FUTA		1524.91
210415	SUTA		903.44
21042	Sales Tax Payable	16.33	
210421	State Sales Tax Payable		16.33
21056	Notes Payable/CNB 95 Dodg		1732.49
2108	Notes Payable - T/C		0.00
22	Long Term Liabilities	19356.99	
2208	NP/New Holland Trac/Mowr		0.00
2210	N/P CNB 4 Kaw in W/Fla		7892.96
2212	N/P CNB Ford F 350 Crew C		-0.00
2213	N/P CNB 3 Kaw Duval Count		0.00
2214	N/P CNB Great Dane Mowers		4403.22
2215	N/P CNB (3) 4 Wheelers		7060.81
	Total Liabilities		38839.46
3	Stockholders Equity	129093.32	
31	Capital Stock	1500.00	
3102	Common Stock	1500.00	
31021	Par Value		1500.00
32	Retained Earnings	127593.32	
3293	1993 Profit		30122.68
3294	1994 Profit		25169.80
3295	1995 Profit		31823.81
3296	1996 Profit		31322.05
3297	1997 Profit		57577.11
3298	1998 Loss		-48422.13
33	Current Earnings		0.00
	Current Year Earnings		52957.87
	Total Equity		182051.19
	Total Liabilities plus Equity		220890.65

Date : 03/24/99  
 Time : 10:44 AM

Southeastern Services, Inc.  
 P O Box 365  
 28 W. Macclenny Avenue, Suite 14  
 Macclenny, Florida 32063

Page no. 1

From 01/01/99 to 03/31/99

INCOME STATEMENT

Account	Account Name	This Period		Year to Date	
		General Acct	Detail Acct	General Acct	Detail Acct
4	Revenues	106809.69		320527.20	
41	Sales	106809.69		293960.53	
4101	Sales Dept. 01		107077.39		293587.38
4103	Cash Sales		0.00		41.00
4107	Sales-DMA		0.00		700.55
4150	Sales Discounts		-267.70		-168.40
44	Financial Income	0.00		386.19	
4402	Finance Charges		0.00		386.19
45	Other Revenues	0.00		26952.86	
4502	Gain On Sale Of Assets		0.00		26952.86
	Total Revenue		106809.69		320527.20
42	Cost of Goods Sold	87167.87		249946.17	
4201	Direct Labor		67466.65		189815.81
42021	Contract Labor-Pacesetter		0.00		2423.76
4207	Motel Charges		0.00		65.49
42092	Fuel Charges\Baker 911		0.00		177.04
42093	Maint & Repair\Baker 911		0.00		178.73
420991	Fuel Charges\Union 911		166.50		166.50
420993	Mat'l & Equip\Union 911		287.55		412.96
4215	Medicare		978.22		2752.29
4216	OASDI		4182.95		11768.68
4217	FUTA		529.35		1508.11
4220	SUTA		357.38		892.10
4225	Workers' Comp Ins/Florida		3769.78		11374.02
4230	Gen Liab/Industrial Ins		903.40		3435.36
4235	Materials		760.42		3091.13
42352	Consumibles for Jobs		46.98		46.98
4236	Dump Fees 2A51		0.00		482.30
42361	Dump Fees DN717		159.20		1260.23
4237	Equipment Expense		0.00		251.46
4240	Equipment Rental		3488.76		7625.18
4241	Repairs and Maintenance		1232.96		4134.26
42458	Tommy Ledford - DN 717		1099.58		1099.58
4251	Fuel Charges		241.54		362.39
42514	Fuel Charges/E-2A51		506.42		1945.85
42517	Fuel Charges/DN717		42.35		514.77
4262	Freight/Shipping		72.42		282.49
4265	Rent		125.00		375.00
4270	Advertising for Jobs		23.70		23.70
4275	Testing Fees		192.00		288.00
4285	Fax, Phone, Pager, Copy		192.16		193.20
4290	Bid and Performance Bonds		0.00		1771.00
4293	Mobile Radio Units		342.60		1027.80

Date : 03/24/99  
 Time : 10:44 AM

Southeastern Services, Inc  
 P O Box 365  
 28 W. Macclenny Avenue, Suite 14  
 Macclenny, Florida 32063

Page no 2

From 01/01/99 to 03/31/99

INCOME STATEMENT

Account	Account Name	This Period		Year to Date	
		General Acct	Detail Acct	General Acct	Detail Acct
5	Total Expenses	85705.68		267569.31	
52	General & Admin. Expenses	5214.49		21646.97	
5201	Payroll	2844.05		5308.59	
52011	Wages	2100.00		2100.00	
520112	Hourly		2100.00		2100.00
52012	Benefits	555.26		1019.80	
520121	Health Insurance		555.26		2431.9
520124	Life Insurance		0.00		587.81
52013	Taxes	188.79		188.79	
520131	FICA Employer	160.65		160.65	
5201311	Medicare		30.45		30.45
5201312	OASDI		130.20		130.20
520132	FUTA		16.80		16.80
520133	SUTA		11.34		11.34
5202	Maintenance	94.68		94.68	
52021	Autos & Trucks		94.68		94.68
5203	Depreciation	0.00		9688.19	
52031	Autos & Trucks		0.00		8314.22
52032	Furniture & Fix-Dep Expen		0.00		25.84
52034	Machinery & Equipment		0.00		1204.52
52035	Office Equip-Dep Expense		0.00		143.61
5206	Insurance	0.00		1002.54	
52061	Autos & Trucks		0.00		627.00
520611	Insurance-96 Caravan		0.00		107.96
520613	Insurance-93 Corsica		0.00		67.58
5210	Consulting Fees	1495.00		2970.00	
52102	Accountants		1250.00		2725.00
52103	Legal		245.00		245.00
5211	Overhead Expenses	730.31		1731.19	
52111	Office Supplies		25.48		255.97
52112	Telephone		289.40		588.66
52113	Mail/Postage		114.00		114.00
52114	Utilities		86.43		281.06
52115	Advertising		90.00		131.50
52117	Licenses/Permits		0.00		235.00
52118	Memberships/Dues/Subscr		125.00		125.00
52121	Copier Expense		50.45		125.01
52122	W/C Medical Expenses		0.00		465.74
52126	Postage Meter		0.00		261.03
53	Financial Expenses	822.32		3006.44	
5301	Interest		0.00		1470.00
5303	Loss on Sale/Assets		556.46		1252.69
5305	Penalties		265.86		281.75
54	OTHER INCOME AND EXPENSES	-7499.00		-7030.25	
5413	Loss on Sale Fixed Assets		0.00		468.75

Date : 03/24/99  
Time : 10:44 AM

Southeastern Services, Inc.  
P O Box 365  
28 W. Macclenny Avenue, Suite 14  
Macclenny, Florida 32063

Page no. 3

From 01/01/99 to 03/31/99

INCOME STATEMENT

Account	Account Name	This Period		Year to Date	
		General Acct	Detail Acct	General Acct	Detail Acct
5415	IRS Refund 1998		7499.00		7499.00
	Total Expenses		85705.68		267569.33
	NET INCOME		21104.01		52957.87

**SOUTHEASTERN SERVICES, INC.**  
MACCLENNY, FLORIDA

FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 1997 AND 1996

SOUTHEASTERN SERVICES, INC.  
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*Pete Orlando, C.P.A., P.A.*

14185 Beach Boulevard, Unit 13

Jacksonville, FL 32250

February 11, 1998

To the Board of Directors  
Southeastern Services, Inc.  
Mcclenny, Florida

We have reviewed the accompanying balance sheet of Southeastern Services, Inc. as of December 31, 1997, and the related statements of income and retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Southeastern Services, Inc. The financial statements of Southeastern Services, Inc. as of December 31, 1996, were reviewed by Paul N. Bibler, C.P.A., P.A. which was purchased by Pete Orlando, C.P.A., P.A.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Very truly yours,



Pete Orlando, C.P.A., P.A.



SOUTHEASTERN SERVICES, INC.  
BALANCE SHEET  
AS OF DECEMBER 31, 1997 AND 1996

ASSETS

	<u>1997</u>	<u>1996</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 50,475	\$ 72,461
Accounts Receivable	110,920	158,863
Employee Advances	4,507	4,930
Prepaid Expenses	18,378	11,353
	184,280	247,607
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Fixtures	1,564	1,564
Machinery and Equipment	42,056	105,797
Office Equipment	11,050	9,439
Vehicles	136,966	73,182
	191,636	189,982
Less: Accumulated Depreciation	(95,055)	(83,532)
	96,581	106,450
<b>OTHER ASSETS</b>		
Due from Related Parties	9,508	9,308
Deposits	1,366	1,685
	10,874	10,993
<b>TOTAL ASSETS</b>	<b>\$ 291,735</b>	<b>\$ 365,050</b>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN SERVICES, INC.  
BALANCE SHEET  
AS OF DECEMBER 31, 1997 AND 1996

LIABILITIES AND EQUITY

	<u>1997</u>	<u>1996</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 20,829	\$ 91,777
Accrued Liabilities	1,706	16,573
Payroll Taxes Payable	1,778	13,333
Income Tax Payable	14,177	6,540
Notes Payable - current	28,272	44,775
Total Current Liabilities	66,762	172,998
<b>LONG-TERM LIABILITIES</b>		
Notes Payable - long-term	47,458	22,110
Total Long-term Liabilities	47,458	22,110
TOTAL LIABILITIES	114,220	195,108
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock - \$1.00 par value, 7,500 shares authorized; 1,500 shares outstanding	1,500	1,500
Additional Paid in Capital	-	50,000
Retained Earnings	176,015	118,442
Total Stockholders' Equity	177,515	169,942
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 291,735</b>	<b>\$ 365,050</b>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN SERVICES, INC.  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
REVENUES		
Contract Revenues	\$ 1,282,423	\$ 946,024
Miscellaneous Revenues	354	5,005
Contract Discounts	(1,088)	(1,211)
	1,281,689	949,818
 COST OF GOODS SOLD	 990,585	 741,841
	291,104	207,977
 GROSS PROFIT	 291,104	 207,977
 OVERHEAD EXPENSES	 236,453	 169,777
	54,651	38,200
INCOME FROM OPERATIONS	54,651	38,200
OTHER INCOME (EXPENSES)		
Interest Income	1,560	2,343
Net Gain (Loss) on Sale of Assets	525	(2,681)
	2,085	(338)
 INCOME BEFORE EXTRAORDINARY ITEMS	 56,736	 37,862
NET GAIN ON THEFT OF EQUIPMENT	15,014	-
	71,750	37,862
INCOME BEFORE TAXES	71,750	37,862
INCOME TAX PROVISION	14,177	6,540
	57,573	31,322
NET INCOME	57,573	31,322
RETAINED EARNINGS - BEGINNING OF YEAR	118,442	87,120
	\$ 176,015	\$ 118,442
RETAINED EARNINGS - END OF YEAR	\$ 176,015	\$ 118,442

The accompanying notes are an integral part of this statement.

**SOUTHEASTERN SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 57,573	\$ 31,322
Depreciation	73,611	57,656
Adjustments to reconcile net income to net cash provided by operating activities		
(Increase) Decrease in Assets		
Accounts Receivable	47,943	(99,349)
Employee Advances	423	-
Prepaid Expenses	(7,025)	(1,700)
Deposits	319	1,365
Increase (Decrease) in Liabilities		
Accounts Payable	(70,948)	(37,061)
Accrued Liabilities	(14,867)	4,806
Payroll Taxes Payable	(11,555)	11,337
Income Taxes Payable	7,637	(3,124)
<b>Net Cash Provided (Used) by Operating</b>	<b>83,111</b>	<b>(34,748)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(147,772)	(28,283)
Stolen or Disposed Property and Equipment	84,030	-
Loans to Related Parties	(200)	-
<b>Net Cash Used by Investing Activities</b>	<b>(63,942)</b>	<b>(28,283)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Notes Payable	(62,809)	(59,692)
New Debt Incurred	71,654	59,238
Capital Contributed (Distributed)	(50,000)	50,000
<b>Net Cash Provided (Used) by Financing</b>	<b>(41,155)</b>	<b>49,546</b>
<b>NET INCREASE IN CASH</b>	<b>(21,986)</b>	<b>(13,485)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>72,461</b>	<b>85,946</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 50,475</b>	<b>\$ 72,461</b>

Supplemental Disclosures

<b>Cash Paid During the Year for:</b>		
Interest	\$ 10,801	\$ 10,603
Income taxes	\$ 6,540	\$ 9,664

The accompanying notes are an integral part of this statement.

SOUTHEASTERN SERVICES, INC.  
 SCHEDULE OF COST OF GOODS SOLD  
 FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Direct Labor	\$ 685,277	\$ 374,950
Contract Labor	246	1,000
Commissions	1,577	2,158
Per Diem	-	780
Motel Charges	257	75
Drug Tests	870	818
Payroll Taxes	59,872	34,363
Worker's Compensation	37,366	46,674
Liability Insurance	9,404	464
Insurance - Other	8,334	2,251
Materials	17,473	55,640
Trash Fees	3,782	8,802
Equipment	28,968	64,267
Equipment Rental	11,429	54,659
Repairs and Maintenance	23,486	17,695
Contract Services	58,270	32,854
Travel	3,514	1,709
Fuel Charges	21,171	23,037
Employee Welfare	813	483
Postage	2,195	336
Advertising	1,928	146
Office Supplies	429	272
Telephone	5,387	5,454
Bonding	8,537	12,744
Testing Fees	-	210
	\$ 990,585	\$ 741,841
Total Cost of Goods Sold	\$ 990,585	\$ 741,841

The accompanying notes are an integral part of this statement.

SOUTHEASTERN SERVICES, INC.  
 SCHEDULE OF OVERHEAD EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Indirect Labor	\$ 48,008	\$ 41,390
Health Insurance	11,086	6,312
Life Insurance	1,694	1,589
SEP Retirement Plan	3,300	-
Payroll Taxes	4,195	7,675
Maintenance	6,865	5,503
Depreciation	73,611	57,656
Equipment Rental	960	212
Liability Insurance	4,731	6,487
Travel	3,446	3,802
Sales Tax	510	2,673
Property Tax	4,284	-
DacEasy	1,587	1,034
Accountants	10,122	9,138
Legal	3,243	220
Office Supplies	3,764	2,152
Telephone	5,155	7,084
Postage	1,853	1,451
Utilities	1,070	1,374
Advertising	861	127
Contributions	6,158	330
Licenses	1,738	1,564
Dues and Subscriptions	530	740
Promotion	1,630	184
Miscellaneous	400	373
Copier	113	95
Worker's Compensation	6,152	4,071
Training	40	434
Interest	10,801	2,645
Bank Charges	22	219
Penalties	672	159
Bad Debts	17,071	2,519
Casualty Losses	-	250
Florida Intangible Tax	781	315
	<hr/>	<hr/>
<b>Total Overhead Expenses</b>	<b>\$ 236,453</b>	<b>\$ 169,777</b>
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN SERVICES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

**A. ORGANIZATION**

Southeastern Services, Inc. (the Company) is engaged in the business of contracting qualified skilled labor to its marine, industrial, utility and technical customers on a time and material basis. The Company operates out of its office in Macclenney, Florida.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation - The financial statements of the Company have been prepared on the accrual basis of accounting.

Use of Accounting Estimates - The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Accounts Receivable - Accounts receivable are valued at net realizable value.

Property and Equipment - Property and equipment is carried at cost. Depreciation is computed using the straight line method over the estimated useful lives of the related assets.

Notes Payable - Notes payable are recorded at their outstanding principal amounts.

Income Taxes - The Company is organized as a Corporation and consequently must pay both federal and state income tax as such. The Company has a provision of income taxes consistent with their method of accounting.

Revenue Recognition - Billings for the bulk of the Company's activities are rendered on a weekly basis to the customers, and labor service revenues are recognized as billed.

Cash and Cash Equivalents - Cash as reflected on the statement of cash flows consists of bank accounts and all highly liquid debt instruments. Deposits are not included as cash on the statement of cash flows.

SOUTHEASTERN SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

C. NOTES PAYABLE

A schedule of notes payable is as follows:

	<u>1997</u>	<u>1996</u>
Note payable to Ford New Holland Credit, secured by tangible personal property. Payable in monthly installments of \$297, including interest at 12.5%.	\$ -	\$ 5,750
Note payable to Ford New Holland Credit, secured by tangible personal property. Payable in monthly installments of \$1,024, including interest at 1.9%.	-	6,063
Note payable to Ford New Holland Credit, secured by tangible personal property. Payable in monthly installments of \$955, including interest at 13.0%.	4,380	14,954
Note payable to CNB Bank, secured by tangible personal property. Payable in monthly installments of \$865, including interest at 8.0%.	3,423	12,745
Note payable to GMAC, secured by tangible personal property. Payable in monthly installments of \$1,231, including interest at 13.25%.	-	10,001
Note payable to CNB Bank, secured by tangible personal property. Payable in monthly installments of \$634, including interest at 8.25%.	11,240	17,372



**SOUTHEASTERN SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996**

**C. NOTES PAYABLE (CONTINUED)**

Note payable to Ford New Holland Credit, secured by tangible personal property. Payable in monthly installments of \$1,382, including interest at 5.9%.

	\$ 56,687	\$ -
	75,730	66,885
Less current portion	(28,272)	(44,775)
	\$ 47,458	\$ 22,110

The maturities of long-term debt for the next five years are as follows:

1998	\$ 28,272
1999	18,740
2000	15,343
2001	13,375
2002	-0-

**D. RELATED PARTY TRANSACTIONS**

The Company has loaned money to two other entities that the shareholder owns. At December 31, 1997 and 1996, these related parties owed the Company \$9,508 and \$9,308, respectively.

In 1997, the Company also sold one of its vehicles to the shareholder of the Company. The sales price was for the balance of the loan and the Company has been relieved of any obligation on the loan.

**E. EXTRAORDINARY ITEMS**

In 1997, the Company had several pieces of equipment stolen off job sites. Most of the equipment was covered by insurance and the Company filed claims in which the insurance proceeds were enough to cover the loss. The aggregate net book value of the equipment stolen was \$27,933 and insurance proceeds totaled \$42,947, which caused the Company to have a gain on extraordinary items of \$15,014.

SOUTHEASTERN SERVICES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

F. CHANGE IN PRESENTATION

To better enhance the presentation of these statements, some changes were made from the prior year. These changes are cosmetic in nature and may include reclass of certain items. These changes have no affect on the statements and are in full accordance with Generally Accepted Accounting Principles.

**SOUTHEASTERN SERVICES, INC.**

**REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS.**

**YEARS ENDED DECEMBER 31, 1996 AND 1995**

**PAUL N. BIBLER, C.P.A.**

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---

Board of Directors  
Southeastern Services, Inc.  
Macclenny, Florida

I have reviewed the accompanying balance sheet of Southeastern Services, Inc. as of December 31, 1996, and the related statements of income, retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Southeastern Services, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

I audited the 1995 financial statements and I expressed an unqualified opinion on them in my report dated March 25, 1996. I have not performed any auditing procedures since that date.

October 31, 1997

  
Paul N. Bibler, C.P.A.

SOUTHEASTERN SERVICES, INC.  
BALANCE SHEETASSETS

	December 31	
	<u>1996</u>	<u>1995</u>
<b>CURRENT ASSETS:</b>		
Cash and Equivalents	\$ 72,461	\$ 85,946
Accounts Receivable (Note 1)	173,101	73,752
Prepaid Workers' Comp.	5,804	1,961
Prepaid Gen. Liability	2,999	2,252
Prepaid Auto Ins.	1,194	4,084
Prepaid Interest (Current)	5,536	2,893
Prepaid Perf. Bonds	<u>1,356</u>	<u>2,721</u>
Total Current Assets	262,451	173,609
 <b>OTHER ASSETS:</b>		
Deposits	1,685	1,685
Prepaid Interest (Long Term)	<u>3,222</u>	<u>4,430</u>
Total Other Assets	4,907	6,115
 <b>PROPERTY (Note 1):</b>		
Vehicles	73,182	50,338
Furniture and Fixtures	1,564	1,564
Machinery and Equipment	105,797	106,388
Office Equipment	<u>9,439</u>	<u>12,380</u>
Less Accumulated Depreciation	<u>(83,532)</u>	<u>(34,847)</u>
Net Property	<u>106,450</u>	<u>135,823</u>
 <b>TOTAL ASSETS:</b>	 <u>\$ 373,808</u>	 <u>\$ 315,547</u>

See Notes to Financial Statements

LIABILITIES AND STOCKHOLDERS' EQUITY

December 31

1996                      1995

CURRENT LIABILITIES:

Accounts Payable	\$ 91,777	\$ 128,838
Workmans' Comp.	12,416	0
Gen. Liability	4,157	11,767
Payroll Taxes	13,333	1,996
Interest Payable (Current)	5,536	2,893
Equipment Payable (Current) (Note 2)	<u>44,775</u>	<u>28,172</u>
	171,994	226,927
Federal and State Income Taxes Payable (Note 1)	<u>6,540</u>	<u>9,664</u>
Total Current Liabilities	178,534	183,330

OTHER LIABILITIES (Note 2):

Equipment Payable (Long Term)	22,110	39,167
Interest Payable (Long Term)	<u>3,222</u>	<u>4,430</u>
Total Other Liabilities	<u>25,332</u>	<u>43,597</u>

TOTAL LIABILITIES                      203,866                      226,927

STOCKHOLDERS' EQUITY:

Common Stock		
Par value \$1 a share, authorized 7,500 shares, issued and outstanding 1,500 shares	1,500	1,500
Additional Paid In Capital	50,000	0
Retained Earnings	<u>118,442</u>	<u>87,120</u>
TOTAL STOCKHOLDERS' EQUITY:	<u>169,942</u>	<u>88,620</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY:    \$ 373,808                      \$ 315,547

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF INCOME

For the Year Ended December 31  
1996 1995

REVENUE:

Contract Revenue	\$ 946,024	\$ 885,708
Contract Discounts	(1,211)	(15)
Finance Charges	0	(308)
Miscellaneous Revenue	<u>5,005</u>	<u>204</u>

Total Revenue	949,818	885,589
---------------	---------	---------

COST OF GOODS SOLD:

(See page 7 for detail)	<u>(741,841)</u>	<u>(524,300)</u>
-------------------------	------------------	------------------

GROSS PROFIT:	207,977	361,289
---------------	---------	---------

OVERHEAD EXPENSES:

(See page 8 for detail)	<u>(169,777)</u>	<u>(318,006)</u>
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INCOME FROM OPERATIONS:	38,200	43,283
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OTHER INCOME:

Interest Income	2,343	793
Net Gain (Loss) on Sale of Fixed Assets	<u>(2,681)</u>	<u>(2,585)</u>

Total Other Income (Loss)	<u>(338)</u>	<u>(1,792)</u>
---------------------------	--------------	----------------

INCOME BEFORE INCOME TAXES

(Note 1):	37,862	41,491
-----------	--------	--------

PROVISION FOR FEDERAL AND  
STATE INCOME TAXES:

	<u>(6,540)</u>	<u>(9,664)</u>
--	----------------	----------------

NET INCOME:	<u>\$ 31,322</u>	<u>\$ 31,827</u>
-------------	------------------	------------------



Paul N. Bibler, C.P.A., P.A.

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF RETAINED EARNINGS

RETAINED EARNINGS:	For the Year Ended December 31	
	<u>1996</u>	<u>1995</u>
BALANCE AT JANUARY 1:	\$ 87,120	\$ 55,293
NET INCOME:	<u>31,322</u>	<u>31,827</u>
BALANCE AT DECEMBER 31:	<u>\$ 118,442</u>	<u>\$ 87,120</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF CASH FLOWS

	Year Ended December 31	
	<u>1996</u>	<u>1995</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 31,322	\$ 31,827
Depreciation	57,656	34,664
(Inc.) Dec. in Accounts Receivable	(99,349)	(32,724)
(Inc.) Dec. in Materials Inventory	0	5,065
(Inc.) Dec. in Prepaid Insurance	(1,700)	144
(Inc.) Dec. in Prepaid Interest	(1,435)	(6,750)
(Inc.) Dec. in Prepaid Performance Bonds	1,365	4,775
(Inc.) Dec. in Deposits	0	(935)
Inc. (Dec.) in Accounts Payable	(37,061)	119,326
Inc. (Dec.) in Insurance Payable	4,806	5,270
Inc. (Dec.) in Interest Payable	1,435	6,750
Inc. (Dec.) in Payroll Taxes Payable	11,337	(2,716)
Inc. (Dec.) in Federal and State Income Taxes Payable	<u>(3,124)</u>	<u>7,971</u>
Net Cash Provided from Operating Activities	(34,748)	172,667
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital Contributed	50,000	(18,762)
Equipment Loans	59,238	49,610
Paydown of Loans on Equipment	<u>(59,692)</u>	<u>(20,548)</u>
Net Cash Provided from Financing Activities	49,546	10,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to Property	<u>(28,283)</u>	<u>(100,789)</u>
NET INCREASE (DECREASE) IN CASH:	(13,485)	82,178
CASH AT JANUARY 1:	<u>85,946</u>	<u>3,768</u>
CASH AT DECEMBER 31:	<u>\$ 72,461</u>	<u>\$ 85,946</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
 SCHEDULE OF COSTS OF GOODS SOLD

	For the Year Ended December 31	
	<u>1996</u>	<u>1995</u>
Direct Labor	\$ 374,950	\$ 218,734
Contract Labor	1,000	2,000
Commissions	2,158	568
Per Diem	780	1,602
Motel Charges	75	(75)
Drug Tests	818	60
Payroll Taxes	34,363	23,090
Workers' Comp.	46,674	15,828
Liab. Ins. Ind.	464	11,357
Liab. Ins. Marine	0	0
Vehicle Ins.	2,251	1,564
Materials	55,640	91,981
Purchase Discounts	0	0
Trash Fees	8,802	6,548
Equipment	64,267	25,574
Equipment Rental	54,609	37,005
Repairs and Maintenance	17,695	11,183
Vehicle Rent	50	5,214
Contract Services	32,854	35,751
Travel - Out Of Town	814	514
Fuel Charges	23,037	19,148
Employee Welfare	483	560
Travel - Local	895	0
Postage	336	0
Uniforms	0	577
Freight/Shipping	0	1,245
Rent	0	200
Advertising	146	527
Office Supplies	272	24
Fax, Phone, Copies	5,454	3,330
Utilities	0	566
Permits	0	0
Bonding	12,744	9,625
Testing Fees	<u>210</u>	<u>0</u>
 Total Cost of Goods Sold	 <u>\$ 741,841</u>	 <u>\$ 524,300</u>

SOUTHEASTERN SERVICES, INC.  
SCHEDULE OF OVERHEAD EXPENSES

	For the Year Ended December 31	
	<u>1996</u>	<u>1995</u>
Indirect Labor	\$ 41,390	\$ 40,190
Commissions	0	50
Bonuses	0	158,200
Contract Labor	0	100
Health Insurance	6,312	6,183
Life Insurance	1,589	1,192
Payroll Taxes	7,675	6,787
Maintenance	5,503	8,340
Depreciation (Note 1)	57,656	34,664
Vehicle Rent	0	66
Office Equipment Rent	212	242
Vehicle Insurance	6,487	1,519
Travelity Insurance	3,802	3,413
Per Diem	0	100
Entertainment	0	240
Sales Tax	2,673	1,586
DacEasy	1,034	1,057
Accountants	9,138	13,354
Legal	220	485
Office Supplies	2,152	1,984
Telephone	7,084	8,010
Postage	1,451	1,304
Utilities	1,374	1,440
Advertising	127	339
Contributions	330	10,178
Licenses	1,564	2,045
Dues and Subscriptions	740	139
Promotion	184	198
Miscellaneous	373	370
Copier	95	126
Workers' Comp. Medical	4,071	2,070
Training	434	0
Interest	2,645	2,617
Bank Charges	219	1,927
Penalties	159	1,559
Bad Debts	2,519	2,101
Casualty Losses	250	3,208
Florida Intangible Tax	315	0
State Income Tax	0	623
	<u>0</u>	<u>623</u>
Total Overhead Expenses	<u>\$ 169,777</u>	<u>\$ 318,006</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1996 AND 1995

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business. Southeastern Services, Inc. is engaged in the business of contracting qualified skilled labor to its marine, industrial, utility and technical customers on a time and material basis. Billings for the bulk of these activities are rendered on a weekly basis to the Company's customers, and labor service revenues are recognized as billed.

Depreciation. Property and equipment are stated at cost and depreciated over their estimated useful lives of 3 to 7 years using the declining balance and straight line methods. Depreciation expense charged against income during 1996 was \$57,656 and during 1995 was \$34,664.

Federal and State Income Taxes. Generally, income and expenses are recorded in the same period for both federal and state income tax and financial reporting purposes.

NOTE 2: NOTES, PAYABLE

Details of notes payable of the company as of December 31, 1996, are as follows:

<u>Description</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 12.5% due in equal monthly installments of \$297.26 including interest	\$ 3,000	\$ 2,750
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 1.9% due in equal monthly installments of \$1024.04 including interest	6,063	0
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 13.0% due in equal monthly installments of \$954.67 including interest	\$ 9,445	\$ 5,509

SOUTHEASTERN SERVICES, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 1996 AND 1995

NOTE 2: NOTES, PAYABLE (Continued)

<u>Description</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Note payable to CNB Bank, secured by tangible personal property, interest at 8.0% due in equal monthly installments of \$864.75 including interest	\$ 9,559	\$ 3,186
Note payable to GMAC, secured by tangible personal property, interest at 13.25% due in equal monthly installments of \$1,231.38 including interest	10,001	0
Note payable to CNB Bank, secured by tangible personal property, interest at 8.25% due in equal monthly installments of \$633.86 including interest	<u>6,707</u>	<u>10,665</u>
Total Notes Payable	<u>\$ 44,775</u>	<u>\$ 22,110</u>

SOUTHEASTERN SERVICES, INC.

REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995 AND 1994

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Notes to financial statements	9-10



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Phone: 904-223-9331  
Fax/Modem: 904-223-9098

---

Board of Directors  
Southeastern Services, Inc.  
Macclenny, Florida

I have audited the accompanying balance sheet of Southeastern Services, Inc. as of December 31, 1995 and 1994, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Services, Inc. as of December 31, 1995 and 1994 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



Paul N. Bibler, C.P.A., P.A.

March 25, 1996

SOUTHEASTERN SERVICES, INC.  
BALANCE SHEETLIABILITIES AND STOCKHOLDERS' EQUITY

	December 31	
	<u>1995</u>	<u>1994</u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 128,838	\$ 9,512
Workmans' Comp.	0	4,708
Gen. Liability	11,767	1,789
Payroll Taxes	1,996	4,712
Interest Payable (Current)	2,893	573
Equipment Payable (Current) (Note 2)	<u>28,172</u>	<u>10,600</u>
	173,666	31,894
Federal and State Income Taxes Payable (Note 1)	<u>9,664</u>	<u>1,693</u>
<b>Total Current Liabilities</b>	<b>183,330</b>	<b>33,587</b>
<b>OTHER LIABILITIES (Note 2):</b>		
Equipment Payable (Long Term)	39,167	15,700
Interest Payable (Long Term)	<u>4,430</u>	<u>0</u>
<b>Total Other Liabilities</b>	<u>43,597</u>	<u>15,700</u>
<b>TOTAL LIABILITIES</b>	<b>226,927</b>	<b>49,287</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Common Stock		
Par value \$1 a share, authorized 7,500 shares, issued and outstanding 1,500 shares	1,500	1,500
Additional Paid In Capital	0	18,762
Retained Earnings	<u>87,120</u>	<u>55,293</u>
<b>TOTAL STOCKHOLDERS' EQUITY:</b>	<u>88,620</u>	<u>75,555</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY:</b>	<u>\$ 315,547</u>	<u>\$ 124,842</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF INCOMEFor the Year Ended December 31  
1995                      1994

## REVENUE:

Contract Revenue	\$ 885,708	\$ 337,873
Contract Discounts	(15)	(857)
Finance Charges	(308)	308
Miscellaneous Revenue	<u>204</u>	<u>21,232</u>

Total Revenue	885,589	358,556
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## COST OF GOODS SOLD:

(See page 7 for detail)	<u>(524,300)</u>	<u>(264,534)</u>
-------------------------	------------------	------------------

GROSS PROFIT:	361,289	94,022
---------------	---------	--------

## OVERHEAD EXPENSES:

(See page 8 for detail)	<u>(318,006)</u>	<u>(67,592)</u>
-------------------------	------------------	-----------------

INCOME FROM OPERATIONS:	43,283	26,430
-------------------------	--------	--------

## OTHER INCOME:

Interest Income	793	0
Net Gain (Loss) on Sale of Fixed Assets	<u>(2,585)</u>	<u>433</u>

Total Other Income (Loss)	<u>(1,792)</u>	<u>433</u>
---------------------------	----------------	------------

## INCOME BEFORE INCOME TAXES

(Note 1):	41,491	26,863
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PROVISION FOR FEDERAL AND  
STATE INCOME TAXES:

	<u>(9,664)</u>	<u>(1,693)</u>
--	----------------	----------------

NET INCOME:	<u>\$ 31,827</u>	<u>\$ 25,170</u>
-------------	------------------	------------------

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Jacksonville, Florida 32250  
Phone: 904-223-9331  
Fax/Modem: 904-223-9098

---

Board of Directors  
Southeastern Services, Inc.  
Macclenny, Florida

I have audited the accompanying balance sheet of Southeastern Services, Inc. as of December 31, 1995 and 1994, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Services, Inc. as of December 31, 1995 and 1994 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



Paul N. Bibler, C.P.A., P.A.

March 25, 1996

SOUTHEASTERN SERVICES, INC.  
BALANCE SHEET

ASSETS

	December 31	
	<u>1995</u>	<u>1994</u>
<b>CURRENT ASSETS:</b>		
Cash and Equivalents	\$ 85,946	\$ 3,768
Accounts Receivable (Note 1)	73,752	40,902
Employee Receivables	0	126
Materials Inventory	0	5,065
Prepaid Workers' Comp.	1,961	4,777
Prepaid Gen. Liability	2,252	1,379
Prepaid Auto Ins.	4,084	2,285
Prepaid Interest (Current)	2,893	573
Prepaid Perf. Bonds	<u>2,721</u>	<u>7,496</u>
Total Current Assets	173,609	66,371
 <b>OTHER ASSETS:</b>		
Deposits	1,685	750
Prepaid Interest (Long Term)	<u>4,430</u>	<u>0</u>
Total Other Assets	6,115	750
 <b>PROPERTY (Note 1):</b>		
Vehicles	50,338	26,480
Furniture and Fixtures	1,564	1,875
Machinery and Equipment	106,388	36,025
Office Equipment	<u>12,380</u>	<u>5,501</u>
Less Accumulated Depreciation	<u>(34,847)</u>	<u>(12,160)</u>
Net Property	<u>135,823</u>	<u>57,721</u>
 <b>TOTAL ASSETS:</b>	 <u>\$ 315,547</u>	 <u>\$ 124,842</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
BALANCE SHEETLIABILITIES AND STOCKHOLDERS' EQUITY

	December 31	
	<u>1995</u>	<u>1994</u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 128,838	\$ 9,512
Workmans' Comp.	0	4,708
Gen. Liability	11,767	1,789
Payroll Taxes	1,996	4,712
Interest Payable (Current)	2,893	573
Equipment Payable (Current) (Note 2)	<u>28,172</u>	<u>10,600</u>
	173,666	31,894
Federal and State Income Taxes Payable (Note 1)	<u>9,664</u>	<u>1,693</u>
<b>Total Current Liabilities</b>	<b>183,330</b>	<b>33,587</b>
<b>OTHER LIABILITIES (Note 2):</b>		
Equipment Payable (Long Term)	39,167	15,700
Interest Payable (Long Term)	<u>4,430</u>	<u>0</u>
<b>Total Other Liabilities</b>	<u><b>43,597</b></u>	<u><b>15,700</b></u>
<b>TOTAL LIABILITIES</b>	<b>226,927</b>	<b>49,287</b>
<b>STOCKHOLDERS' EQUITY:</b>		
Common Stock		
Par value \$1 a share, authorized 7,500 shares, issued and outstanding 1,500 shares	1,500	1,500
Additional Paid In Capital	0	18,762
Retained Earnings	<u>87,120</u>	<u>55,293</u>
<b>TOTAL STOCKHOLDERS' EQUITY:</b>	<u><b>88,620</b></u>	<u><b>75,555</b></u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY:</b>	<u><b>\$ 315,547</b></u>	<u><b>\$ 124,842</b></u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF INCOME

For the Year Ended December 31  
1995                      1994

REVENUE:

Contract Revenue	\$ 885,708	\$ 337,873
Contract Discounts	(15)	(857)
Finance Charges	(308)	308
Miscellaneous Revenue	<u>204</u>	<u>21,232</u>

Total Revenue                      885,589                      358,556

COST OF GOODS SOLD:

(See page 7 for detail)                      (524,300)                      (264,534)

GROSS PROFIT:                      361,289                      94,022

OVERHEAD EXPENSES:

(See page 8 for detail)                      (318,006)                      (67,592)

INCOME FROM OPERATIONS:                      43,283                      26,430

OTHER INCOME:

Interest Income	793	0
Net Gain (Loss) on Sale of Fixed Assets	<u>(2,585)</u>	<u>433</u>

Total Other Income (Loss)                      (1,792)                      433

INCOME BEFORE INCOME TAXES

(Note 1):                      41,491                      26,863

PROVISION FOR FEDERAL AND  
STATE INCOME TAXES:

(9,664)                      (1,693)

NET INCOME:                      \$ 31,827                      \$ 25,170

Paul N. Bibler, C.P.A., P.A.

SOUTHEASTERN SERVICES, INC.  
STATEMENT OF RETAINED EARNINGS

RETAINED EARNINGS:	For the Year Ended December 31	
	<u>1995</u>	<u>1994</u>
BALANCE AT JANUARY 1:	\$ 55,293	\$ 30,123
NET INCOME:	<u>31,827</u>	<u>25,170</u>
BALANCE AT DECEMBER 31:	<u>\$ 87,120</u>	<u>\$ 55,293</u>

See Notes to Financial Statements



SOUTHEASTERN SERVICES, INC.  
STATEMENT OF CASH FLOWS

	Year Ended December 31	
	<u>1995</u>	<u>1994</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 31,827	\$ 25,170
Depreciation	34,664	10,392
(Inc.) Dec. in Accounts Receivable	(32,724)	(37,155)
(Inc.) Dec. in Materials Inventory	5,065	(5,065)
(Inc.) Dec. in Prepaid Insurance	144	3,230
(Inc.) Dec. in Prepaid Interest	(6,750)	573
(Inc.) Dec. in Prepaid Performance Bonds	4,775	(7,496)
(Inc.) Dec. in Deposits	(935)	(450)
Inc. (Dec.) in Accounts Payable	119,326	(12,550)
Inc. (Dec.) in Insurance Payable	5,270	5,149
Inc. (Dec.) in Interest Payable	6,750	(573)
Inc. (Dec.) in Payroll Taxes Payable	(2,716)	(2,627)
Inc. (Dec.) in Federal and State Income Taxes Payable	<u>7,971</u>	<u>1,693</u>
Net Cash Provided from Operating Activities	172,667	(19,709)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital Contributed	(18,762)	18,762
Equipment Loans	49,610	26,000
Paydown of Loans on Equipment	<u>(20,548)</u>	<u>(13,700)</u>
Net Cash Provided from Financing Activities	10,300	31,062
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to Property	<u>(100,789)</u>	<u>(42,470)</u>
NET INCREASE (DECREASE) IN CASH:	82,178	(31,117)
CASH AT JANUARY 1:	<u>3,768</u>	<u>34,885</u>
CASH AT DECEMBER 31:	<u>\$ 85,946</u>	<u>\$ 3,768</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
SCHEDULE OF COSTS OF GOODS SOLD

	For the Year Ended December 31	
	<u>1995</u>	<u>1994</u>
Direct Labor	\$ 218,734	\$ 85,510
Other Pay (Labor)	2,000	0
Commissions	568	1,918
Per Diem	1,602	100
Motel Charges	(75)	694
Drug Tests	60	132
Payroll Taxes	23,090	9,431
Workers' Comp.	15,828	9,743
Liab. Ins. Ind.	11,357	2,722
Liab. Ins. Marine	0	2,327
Vehicle Ins.	1,564	216
Materials	91,981	35,179
Purchase Discounts	0	(318)
Trash Fees	6,548	38
Equipment	25,574	9,321
Equipment Rental	37,005	8,020
Repairs and Maintenance	11,183	865
Vehicle Rent	5,214	0
Contract Services	35,751	90,540
Travel - Out Of Town	514	4,863
Fuel Charges	19,148	0
Employee Welfare	560	0
Travel - Local	0	773
Postage	0	88
Uniforms	577	34
Freight/Shipping	1,245	0
Rent	200	0
Advertising	527	55
Office Supplies	24	39
Fax, Phone, Copies	3,330	937
Utilities	566	1,046
Permits	0	367
Bonding	9,625	(106)
Total Cost of Goods Sold	<u>\$ 524,300</u>	<u>\$ 264,534</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
SCHEDULE OF OVERHEAD EXPENSES

	For the Year Ended December 31	
	<u>1995</u>	<u>1994</u>
Indirect Labor	\$ 40,190	\$ 15,744
Commissions	50	0
Bonuses	158,200	0
Contract Labor	100	5,106
Health Insurance	6,183	2,348
Life Insurance	1,192	99
Payroll Taxes	6,787	1,525
Maintenance	8,340	1,826
Depreciation (Note 1)	34,664	10,392
Vehicle Rent	66	0
Office Equipment Rent	242	51
Vehicle Insurance	1,519	0
Workers' Comp.	43	0
Liability Insurance	0	2,895
Travel	3,413	965
Per Diem	100	0
Entertainment	240	29
Sales Tax	1,586	33
DacEasy	1,057	1,302
Accountants	13,354	3,672
Legal	485	858
Office Supplies	1,984	937
Telephone	8,010	9,320
Postage	1,304	980
Utilities	1,440	534
Advertising	339	257
Contributions	10,178	175
Licenses	2,045	1,985
Dues and Subscriptions	139	132
Promotion	198	563
Miscellaneous	370	113
Copier	126	3
Workers' Comp. Medical	2,027	99
Interest	2,617	699
Bank Charges	1,927	25
Penalties	1,559	0
Bad Debts	2,101	0
Casualty Losses	3,208	994
Federal Income Tax	0	1,871
State Income Tax	623	48
Prior Year Expense	0	2,012
	<u>0</u>	<u>2,012</u>
Total Overhead Expenses	\$ <u>318,006</u>	\$ <u>67,592</u>

See Notes to Financial Statements

SOUTHEASTERN SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business. Southeastern Services, Inc. is engaged in the business of contracting qualified skilled labor to its marine, industrial, utility and technical customers on a time and material basis. Billings for the bulk of these activities are rendered on a weekly basis to the Company's customers, and labor service revenues are recognized as billed.

Depreciation. Property and equipment are stated at cost and depreciated over their estimated useful lives of 3 to 7 years using the declining balance and straight line methods. Depreciation expense charged against income during 1995 was \$34,664 and during 1994 was \$10,392.

Federal and State Income Taxes. Generally, income and expenses are recorded in the same period for both federal and state income tax and financial reporting purposes.

NOTE 2: NOTES, PAYABLE

Details of notes payable of the company as of December 31, 1995, are as follows:

<u>Description</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 12.5% due in equal monthly installments of \$297.26 including interest	\$ 3,000	\$ 5,750
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 1.9% due in equal monthly installments of \$1024.04 including interest	12,127	6,063
Note payable to Fiduciary Leasco. This is actually a purchase lease taken over by the Company, secured by tangible personal property, no stated interest due in equal monthly installments of \$300.00 until January 1997 when the remaining balance is due	\$ 3,600	\$ 12,400

SOUTHEASTERN SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1995 AND 1994

NOTE 2: NOTES, PAYABLE (Continued)

<u>Description</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
Note payable to Ford New Holland Credit, secured by tangible personal property, interest at 13.0% due in equal monthly installments of \$954.67 including interest	<u>9,445</u>	<u>14,954</u>
Total Notes Payable	<u>\$ 28,172</u>	<u>\$ 39,167</u>

NOTE 3: CONTRACTS

The Company has a contract in progress with the State of Florida Department of Transportation. The contract runs for a period of three years. It must be renewed on an annual basis at the discretion of the Department. The contract value remaining is \$500,000. The Company also has a contract with the Baker County Board of Commissioners. This contract runs for a period of four additional years. It can be cancelled at any time, without cause, upon ninety days notice to the Company. Cancellation can be thirty days if funds are not available. The contract value remaining is \$310,000.