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March 28, 2000

VIA OVERNIGHT DELIVERY

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

000384-TX

Re: Application of DV2, Inc. ("DV2") for a Certificate of Authority to Provide Local Exchange Service ("Application")

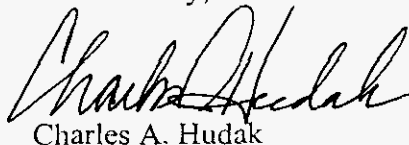
Dear Sir or Madam:

Enclosed are the original and three (3) copies of the financial statements of DV2 ("Financial Statements"), which are being filed in connection with the Application. Three (3) copies of the Financial Statements are redacted and "CONFIDENTIAL" is prominently displayed on each page thereof. Pursuant to Florida Statute 364.183(1) and Section 25-22.0065(5)(a) of the Florida Public Service Commission's rules, DV2 requests confidential treatment of the Financial Statements.

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

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

Sincerely,



Charles A. Hudak

CAH/jh

Enc.

cc: DV2, Inc.
(with enclosure)

DOCUMENT NUMBER-DATE

03967 MAR 30 8

FPSC-RECORDS/REPORTING

DV2, Inc.
Balance Sheet
October 31, 1999

CONFIDENTIAL

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Assets

Current Assets

Cash - Bank of North Georgia
Money Market-Bank of N. Georgia
Accounts Receivable
Work-in-Progress

Total Current Assets

Property and Equipment

Computer Equipment
Capital Leases
Accumulated Depreciation

Net Property and Equipment

Other Assets

Deposits

Total Other Assets

Total Assets

See Accompanying Accountants' Compilation Report

DV2, Inc.
Statement of Income
For the Period Ended October 31, 1999

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Year-to-Date

Revenues

Revenues - Hourly Network Engineering
Revenues - Contract Network Engineering
Revenues - Equipment Resale

Total Revenues

Operating Expenses

Salaries - Officers
Salaries - Consultants
Salaries - Sales
Commissions-Work-C. Price
Commissions-Work-K. Hawkins
Commissions-Work-A. Stovall
Commissions-Sales-B. Mosher
Commissions-Work-B. Mosher
Salaries-Techs
Outside Services
Outside Consultants
Marketing/Printing
Auto Lease Expense
Auto Reimbursement Expense
Bank Charges
Business Gifts
Employment Expense
Depreciation Expense
Dues and subscriptions
Entertainment and Meals
Equipment Rental
Computer Lease
Computer Expense
Insurance - Auto
Insurance - General
Insurance - Group/Medical
Insurance-Gen. Liab. & W Comp
Interest Expense
Office Supplies
Postage
Payroll Service Fees
Legal & Accounting Fees
Taxes and Licenses
Payroll Taxes
Telephone & Communications
Education/Training
Seminars
Travel & Lodging - Unbillable
Travel & Lodging - Billable
Materials - Billable

Total Operating Expenses

See Accompanying Accountants' Compilation Report

DV2, Inc.
Balance Sheet
October 31, 1999

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Liabilities and
Stockholders' Equity

DRAFT

Current Liabilities
Accounts Payable
Sales Tax Payable
Deferred Revenue
Current Portion of Cap. Leases

Total Current Liabilities

Long Term Liabilities
Capital Lease Obligation-Cisco
Capital Lease Obligation-Compaq
Less Curr. Maturity-Cap. Leases

Total Long Term Liabilities

Total Liabilities

Stockholders' Equity
Common Stock
Retained Earnings - Beginning
Net Income (Loss)

Total Stockholders' Equity

Total Liabilities and
Stockholders' Equity

DV2, Inc.
Statement of Income
For the Period Ended October 31, 1999

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Year-to-Date

Net Operating Income (Loss)

Other Income

Other Income-ST Discount
Interest Earned

Total Other Income

Other Expense

Provision for Bad Debts

Total Other Expense

Net Income (Loss)

See Accompanying Accountants' Compilation Report.

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Pro Forma Income Statement

Expected growth model Projected in black actual in blue Revenue	2000 January	February	March	April	May	June	July	August	September	October	November	December	Total
Hosting Services													
Managed Firewall Service													
Integrated Access ATM													
ISP Connections													
DSL Connections													
Integration / services													
Integration Hardware													
local service - PRI													
Leasing of Equipment													
Frame rental													
Server Co Location													
Ecommerce Development													
Disk Mirroring													
Network Management													
Long distance revenue													
Total Revenue													
Costs of Sales													
Loop													
Frame rental													
dsl loop													
port cost													
Equipment													
Long Distance													
Total Cost of Sales													
Number of Markets													
Overhead													
Colocation													
Rent telecom													
rent corporate													
Rent - City Sales and engineering support													
Equipment Maintenance Charges													
Equipment Lease payments													
Internet Connections													
Bell Tandem Interconnect													
remote node - perimeter interconnect													
DSL interconnect													
Frame interconnect													
Corporate Salaries													
City Salaries													
Benefits													
Marketing													
Miscellaneous													
commissions													
Consultants													
travel													
Total													
NIBT													
Income Tax													
NIAT													

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Pro Forma Consolidated Statement of Cashflows

	1999												
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Cash Inflows													
A/R Receipts													
Total													
Cash Outflows													
Equipment Investment													
POP Buildout													
Pathstar deployment													
pathstar card cost													
Packet star deployment													
MOOC													
Billing System													
Overhead													
Cost of Sales													
Revolver Repayment													
Total Cash Outflow													
Net Cash Contribution (USE)													
Cumulative Net Cash Flow													
Borrowings													
Investment Inflow													
Lease Financing													
Cumulative lease financing													
Ending cash													