

040275-TX

Nexus Communications, Inc.  
Statement of Assets, Liabilities and Equity  
Income Tax Basis  
July 31, 2003

Assets

Current assets

- 103 Cash in bank - HNB - Main
  - 104 Cash in bank - HNB - Vern
  - 105 Cash in bank - HNB - Visa
  - 106 Cash in bank - HNB - MC
  - 107 Cash in bank - HNB - EPE
  - 108 Cash in bank - HNB - Tax Mgmt
  - 109 Cash in bank - DHC-SBC Escrow
  - 110 Cash in bank - DCS - ACH
  - 111 Cash in bank - HNB - TSI
  - 124 Accounts receivable - Trade
  - 172 Loan Receivable - Midwest Inv.
- Total Current assets



Property, plant & equipment

- 207 Furniture & equipment
  - 208 Accumulated depreciation
  - 218 Leasehold improvements
- Net Property, plant & equip.



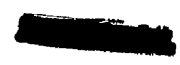
Other assets

- 281 Deposit - Industrial comm.
  - 282 Intangibles
  - 283 Accumulated amortization
  - 284 Deposit - Bell South
- Total Other assets



Total Assets

See accountants' compilation report



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Liabilities and			
Stockholders' equity			
Current liabilities			
305	Credit card - Payables - HNB	[REDACTED]	
307	Excise tax payable	[REDACTED]	
308	Universal serv. tax payable	[REDACTED]	
309	OH Gross reg. tax payable	[REDACTED]	
310	MI sales & use tax payable	[REDACTED]	
311	IN sales & use tax payable	[REDACTED]	
312	WI sales & use tax payable	[REDACTED]	
314	Accounts payable	[REDACTED]	
	Total Current liabilities	[REDACTED]	[REDACTED]
Non-current liabilities			
420	Officers' account	[REDACTED]	
	Total Non-current liabilities	[REDACTED]	[REDACTED]
	Total Liabilities	[REDACTED]	[REDACTED]
Stockholders' equity			
456	Common stock, no par value, 750 shares authorized, 100 shares issued, 100 shares outstanding.	[REDACTED]	[REDACTED]
495	Retained earnings	[REDACTED]	
	Total Stockholders' equity	[REDACTED]	[REDACTED]
	Total Liabilities & stockholders' equity	[REDACTED]	[REDACTED]
See accountants' compilation report			[REDACTED]

Nexus Communications, Inc.  
 Statement of Revenues, Expenses and Retained Earnings  
 Income Tax Basis  
 For three months & seven months ended July 31, 2003

Revenues	May - July	Year to Date
501 Sales - Easy.	[REDACTED]	[REDACTED]
502 Sales - Ventr	[REDACTED]	[REDACTED]
503 Sales - Visa	[REDACTED]	[REDACTED]
504 Sales - MC	[REDACTED]	[REDACTED]
505 Sales - IPP	[REDACTED]	[REDACTED]
510 Sales - CANS	[REDACTED]	[REDACTED]
511 Sales - TSI	[REDACTED]	[REDACTED]
530 DISCOUNT & allowances	[REDACTED]	[REDACTED]
531 SAF refund	[REDACTED]	[REDACTED]
Total Revenues	[REDACTED]	[REDACTED]
Cost of sales		
601 Purchases - Ohio	[REDACTED]	[REDACTED]
602 Purchases - Michigan	[REDACTED]	[REDACTED]
603 Purchases - Indiana	[REDACTED]	[REDACTED]
604 Purchases - Wisconsin	[REDACTED]	[REDACTED]
605 Cell cards	[REDACTED]	[REDACTED]
606 Purchases - phones	[REDACTED]	[REDACTED]
607 Purchases - Long distance	[REDACTED]	[REDACTED]
608 Internet access	[REDACTED]	[REDACTED]
609 Contract labor	[REDACTED]	[REDACTED]
610 Consulting - CABS	[REDACTED]	[REDACTED]
611 Purchases - TSI	[REDACTED]	[REDACTED]
Total Cost of sales	[REDACTED]	[REDACTED]
Gross profit:	[REDACTED]	[REDACTED]

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 For three months & seven months ended July 31, 2003

	May - July	Year to Date
Operating expenses		
701 Employee wages	[REDACTED]	[REDACTED]
759 Rent	[REDACTED]	[REDACTED]
760 Supplies	[REDACTED]	[REDACTED]
762 Maintenance	[REDACTED]	[REDACTED]
763 Auto expense	[REDACTED]	[REDACTED]
764 Utilities	[REDACTED]	[REDACTED]
765 Store expense	[REDACTED]	[REDACTED]
768 Payroll taxes	[REDACTED]	[REDACTED]
769 Federal excise tax	[REDACTED]	[REDACTED]
770 Gross Rec. sales & use tax	[REDACTED]	[REDACTED]
771 Universal service fund tax	[REDACTED]	[REDACTED]
774 Repairs	[REDACTED]	[REDACTED]
775 Casual labor	[REDACTED]	[REDACTED]
780 Security	[REDACTED]	[REDACTED]
784 Freight	[REDACTED]	[REDACTED]
786 Insurance	[REDACTED]	[REDACTED]
788 Licenses & permits	[REDACTED]	[REDACTED]
Total Operating expenses	[REDACTED]	[REDACTED]
Administrative expenses		
801 Salaries - Officers	[REDACTED]	[REDACTED]
803 Computer service fees	[REDACTED]	[REDACTED]
810 Office expense	[REDACTED]	[REDACTED]
811 Bank fees	[REDACTED]	[REDACTED]
812 Postage & box fees	[REDACTED]	[REDACTED]
815 Advertising	[REDACTED]	[REDACTED]
820 Telephone	[REDACTED]	[REDACTED]
827 Professional fees	[REDACTED]	[REDACTED]
859 Travel expense	[REDACTED]	[REDACTED]
861 Meals & entertainment	[REDACTED]	[REDACTED]
Total Administrative expenses	[REDACTED]	[REDACTED]
Total Expenses	[REDACTED]	[REDACTED]
Net Operating Income	[REDACTED]	[REDACTED]

See accountant's  
 compilation report

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	May - July	Year to Date
Other income & expenses		
894 Interest income		
Total Other income & expenses		
Net Income before fed'l taxes		
Net Income or loss (-)		
1000 Beginning Retained earnings		
1007 Dividends declared - SF		
Ending Retained earnings		

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