

CONSOLIDATED TELECOM, INC. Balance Sheet

Assets	
Current assets:	12/31/2013
Cash	22,038.08
Investments	310,000.00
Equipment Inventories	280,075.10
Accounts receivable	15,223.50
Current Contracts Net Present Value	4,350,000.00
Other	-
Total current assets	4,977,336.68
Fixed assets:	12/31/2013
Property and equipment	350,455.00
Leasehold improvements	-
Equity and other investments	-
Less accumulated depreciation	-
Total fixed assets	350,455.00
Other assets:	12/31/2013
Intellectual Property & Web Sites	310,000.00
Goodwill	-
Total other assets	310,000.00
Total assets	5,637,791.68
Liabilities and owner's equity	
Current liabilities:	12/31/2013
Accounts payable	22,034.11
Accrued wages	2,000.00
Accrued compensation	15,200.00
Income taxes payable	-
Unearned revenue	17,251.15
Other	-
Total current liabilities	56,485.26
Long-term liabilities:	12/31/2013
Loans Payable	195,592.34
Total long-term liabilities	195,592.34
Owner's equity:	12/31/2013
Investment capital	845,532.09
Accumulated retained earnings	4,540,181.99
Total owner's equity	5,385,714.08
Total liabilities and owner's equity	5,637,791.68

CONSOLIDATED TELECOM, INC.
INCOME STATEMENT
January 1, 2013 thru December 31, 2013

	Year Ending 12/31/2013	Actual %
REVENUE		
10001 Collect Call Revenue	14,350.00	0.9%
10040 Pre-Paid Account Revenue	1,257,685.87	77.8%
10050 Pre-Paid Debit Revenue	258,317.29	16.0%
10050 Pre-Paid Phone Card Revenue	83,495.87	5.2%
10090 Other Revenue	3,400.00	0.2%
TOTAL REVENUE	1,617,249.03	100.0%
COST OF REVENUE		
60006 Facility Commissions	235,257.04	14.5%
60007 Facility LEC Cost	133,909.56	8.3%
60008 Facility Long Distance Cost	116,707.55	7.2%
60010 Facility Technical Service Cost	55,271.69	3.4%
60004 Credit Card Processing and Billing Cost	40,584.17	2.5%
60005 Equipment & Phone Cost	136,926.97	8.5%
TOTAL OPERATING COST OF REVENUE	718,656.98	44.4%
GROSS PROFIT	898,592.05	55.6%
G & A EXPENSES		
7000 Charitable Contributions	11,144.47	0.7%
7100 Payroll	187,827.88	11.6%
7100 Payroll Taxes	28,264.39	1.7%
7100 Temporary Help	3,125.00	0.2%
7020 Rent Corporate	22,561.15	1.4%
7700 Sales Commission	10,423.00	0.6%
7020 Office Utilities, Telephone, Internet	42,445.11	2.6%
7014 Shareholder Dividends, Officers Salaries, Bonuses	296,622.80	18.3%
7015 Liability & Casualty Insurance	2,517.50	0.2%
7016 Health Insurance	38,866.18	2.4%
7200 Bank Interest	3,179.25	0.2%
3100 Long Term Note & Bank Payments	41,216.49	2.5%
7800 Property & Franchise Taxes	0.00	0.0%
7800 Sales Taxes	8,860.75	0.5%
7021 Postage & Delivery	20,139.06	1.2%
7600 Legal & Professional	30,325.32	1.9%
7017 Certification Fees, Licenses & Permits	5,855.35	0.4%
7016 Web Development & Technology Expense	1,500.00	0.1%
7900 Travel & Entertainment Expense	87,942.72	5.4%
Total Operating Expense	831,671.95	51.4%
Cumulative Pre-Tax Net Income	66,920.10	4.1%