

BUDGET PHONE, INC.  
INCOME STATEMENT  
FYE DECEMBER 31, 2005

REVENUES

HOME PHONE REVENUE-LOUISIANA  
HOME PHONE - NORTH CAROLINA  
HOME PHONE -MISSISSIPPI  
HOME PHONE - FLORIDA  
HOME PHONE - TENN.  
HOME PHONE - GEORGIA  
HOME PHONE - SOUTH CAROLINA  
HOME PHONE - KENTUCKY  
HOME PHONE - ALABAMA  
HOME PHONE - DISTRICT/COLUMBIA  
HOME PHONE - NORTH DAKOTA  
HOME PHONE - SOUTH DAKOTA  
HOME PHONE - TEXAS  
HOME PHONE - ARKANSAS  
HOME PHONE - MISSOURI  
HOME PHONE - KANSAS  
HOME PHONE - OKLAHOMA  
HOME PHONE - WISCONSIN  
HOME PHONE - INDIANA  
HOME PHONE - MICHIGAN  
HOME PHONE - ILLINOIS  
HOME PHONE - OHIO  
HOME PHONE - VIRGINIA  
HOME PHONE - WEST VIRGINIA  
HOME PHONE - OREGON  
HOME PHONE - NEW MEXICO  
HOME PHONE - WASHINGTON  
HOME PHONE - ARIZONA  
HOME PHONE -PENNSYLVANIA  
HOME PHONE - MARYLAND  
HOME PHONE - NEVADA  
HOME PHONE - IOWA  
HOME PHONE - NEBRASKA  
HOME PHONE SERVICE-CALIFORNIA  
HOME SERVICE - DELAWARE  
HOME PHONE - NEW JERSEY  
HOME PHONE - NEW YORK  
HOME PHONE - MASSACHUSETTS  
PREPAID LD CARD SALES  
LD 250 SALES  
CELLULAR CARD SALES  
BOOST HANDSET REVENUE  
CINGULAR GO PHONE REVENUE

HANDSET SHIPPING REV(GOPHONES)  
BILL PAY STATION - REVENUE  
DEBIT CARD REVENUE  
BPS TRANSACTIONS IN  
MASTERCARD REVENUE  
CARD LOADS IN  
RETURN AND REFUNDS, HOME PHONE  
-----  
TOTAL REVENUES

COST OF SALES  
COS-SERVICE - LOUISIANA  
COS-SERVICE - NORTH CAROLINA  
COS-SERVICE - MISSISSIPPI  
COS-SERVICE - FLORIDA  
COS-SERVICE - TENNESSEE  
COS-SERVICE - GEORGIA  
COS-SERVICE - SOUTH CAROLINA  
COS-SERVICE - KENTUCKY  
COS-SERVICE - ALABAMA  
COS -SERVICE-DISTRICT/COLUMBIA  
COS-SERVICE - NORTH DAKOTA  
COS-SERVICE - SOUTH DAKOTA  
COS-SERVICE - TEXAS  
COS-SERVICE - ARKANSAS  
COS-SERVICE - MISSOURI  
COS-SERVICE - KANSAS  
COS-SERVICE - OKLAHOMA  
COS-SERVICE - WISCONSIN  
COS-SERVICE - INDIANA  
COS - INDIANA (ACCRUED)  
COS-SERVICE - MICHIGAN  
COS-SERVICE - ILLINOIS  
COS-SERVICE - OHIO  
COS-SERVICE - VIRGINIA  
COS-SERVICE - WEST VIRGINIA  
COS - SERVICE - COLORADO  
COS-SERVICE - OREGON  
COS-SERVICE- NEW MEXICO  
COS - SERVICE - WASHINGTON  
COS- SERVICE - ARIZONA  
COS - SERVICE - PENNSYLVANIA  
COS - SERVICE - MARYLAND  
COS - SERVICE - NEVADA  
COS - SERVICE - IOWA  
COS - SERVICE - NEBRASKA  
COS - SERVICE - WYOMING  
COS - CALIFORNIA  
COS SERVICE - DELWARE  
COS - SERVICE - NEW JERSEY

COS - SERVICE - NEW YORK  
COS - LD 250  
COS-UNLIMITED LONG DISTANCE  
COS - PREPAID LD CARDS  
COS - PREPAID CELLULAR CARDS  
COS - BOOST HANDSETS  
COS-CINGULAR GOPHONE HANDSETS  
COS - DEBIT CARDS  
COS-PRIVATE LINE SERVICES  
ACCRUED EXP. FOR PRICE CHANGES  
BPS TRANSACTIONS OUT  
CARD LOADS OUT

-----  
COS SUBTOTAL

COMMISSION PAID TO LOUISIANA  
COMMISSIONS - NORTH DAKOTA  
COMMISSION PAID TO NC DEALERS  
COMMISSIONS PD TO MISSISSIPPI  
COMMISSIONS PAID TO FL DEALERS  
COMMISSION - TENN  
COMMISSIONS FOR GEORGIA  
COMMISSIONS FOR SOUTH CAROLINA  
COMMISSIONS FOR KENTUCKY  
COMMISSIONS FOR ALABAMA  
COMMISSION - TEXAS  
COMMISSION - ARKANSAS  
COMMISSION - MISSOURI  
COMMISSION - KANSAS  
COMMISSION - OKLAHOMA  
COMMISSION - WISCONSIN  
COMMISSION - INDIANA  
COMMISSION - MICHIGAN  
COMMISSION - ILLINOIS  
COMMISSION - OHIO  
COMMISSION - VIRGINIA  
COMMISSION - WEST VIRGINIA  
COMMISSIONS - OREGON  
COMMISSIONS - NEW MEXICO  
COMMISSIONS - WASHINGTON  
COMMISSIONS - ARIZONA  
COMMISSIONS - PENNSYLVANIA  
COMMISSIONS - MARYLAND  
COMMISSIONS - NEVADA  
COMMISSIONS - IOWA  
COMMISSIONS - NEBRASKA  
COMMISSIONS - DISTRICT/COLUMBI  
COMMISSIONS - CALIFORNIA  
COMMISSIONS - DELAWARE

COMMISSIONS-NEW JERSEY  
COMMISSIONS-NEW YORK  
COMMISSIONS - WEST VIRGINIA  
COMMISSION ON LONG DISTANCE  
COMMISSION ON CELLCARDS  
COMMISSIONS ON TALKSMART  
DEBIT CARD COMMISSIONS

-----  
COMMISSION SUBTOTAL

-----  
TOTAL COST OF SALES

-----  
GROSS PROFIT

THIS STATEMENT PREPARED FOR MANAGEMENT USE AND IS  
UNAUDITED, COMPILED BY BUDGET PHONE, INC.

OPERATING EXPENSES  
PHONE LINES FOR DATA & ACCESS  
ADVERTISING-GENERAL  
USE ACCT # 6040-01  
SOFTWARE SUPPORT  
AUTOMOBILE EXP./general  
AUTO EXPENSE, ADMINISTRATIVE  
BANK SERVICE CHARGE  
BILL PAY STATION FEES  
COLLECTION EXPENSE  
COMPUTER EXP.-BUDGET DIRECT  
COMPUTER EXPENSE - OPERATIONS  
SOFTWARE EXPENSE  
TELEPHONE SWITCH EXPENSE  
CONTRACT LABOR-OPERATIONS  
CONTRACT LABOR-PRODUCT DEVELOP  
CONTRACT LABOR-COMPUTER SERV.  
CONTRACT LABOR-AGENT SERVICES  
CONTRACT LABOR-CUSTOMER SERV.  
CONTRACT LABOR-ACTIVATIONS  
CONTINUING EDUCATION  
DUES AND SUBSCRIPTIONS  
MEALS/TRAVEL-ADMINISTRATIVE  
FREIGHT - GENERAL/ ALLOCATING  
EQUIPMENT RENTAL  
COMPANY SPONSORED FUNCTIONS  
COMPANY UNIFORMS  
INSURANCE GENERAL  
INSURANCE-GROUP HEALTH &DENTAL  
REPAIRS AND MAINTENANCE-GENERA

OFFICE EXPENSE - HOME OFFICE  
DONATIONS & SPONSORSHIPS  
POSTAGE/MAILING - GENERAL  
POSTAGE/MAILING - BUDGET DIREC  
PROF. FEES-LEGAL  
PROF. FEES-ACCOUNTING  
PROFESSIONAL & CONSULTING FEES  
PROF. FEES-BUILDING PROJECT  
PROF. FEES - SALIS, INC.  
PROF. FEES - LOST KEY TELECOM  
PROF. FEES - SYMMETREX  
PROF. FEES - TANDEM PROJECT  
PROF. FEES-CREATIVE SUPPORT  
PROF. FEES-SMART TELECOM  
PROFESSIONAL FEES-MARTIN GRP.  
RENT  
SALARIES - GENERAL/OPERATING  
SUPPLIES - SALES  
SUPPLIES - GENERAL OFFICE  
SUPPLIES - COMPUTER SERVICES  
SUPPLIES - PERSONNEL  
TAXES AND LICENSES  
TAXES AND LICENSES

THIS STATEMENT PREPARED FOR MANAGEMENT USE AND IS  
UNAUDITED, COMPILED BY BUDGET PHONE, INC.

TAXES, PAYROLL  
PAYROLL TAXES/SOUTHEAST REGION  
FINES & PENALTIES  
TELEPHONE - HOME OFFICE  
TELEPHONE SUPPLIES  
CABS EXPENSE  
TRAVEL-SALES  
TRAVEL-PRODUCT DEVELOP:LONGINO  
TRAVEL-PRODUCT DEVELOP: HOUGH  
CUSTOMER CREDIT CHECKS  
UTILITIES - GENERAL FACILITY

-----  
TOTAL OPERATING EXPENSES

-----  
NET INCOME (LOSS) FROM OPERATIONS

OTHER REVENUES AND (EXPENSES)  
INTEREST INCOME  
BELL SOUTH PMTS FOR PMAP  
DISCOUNTS/CREDITS FROM ILECs  
CABS REVENUE  
LOST KEY TELECOM CREDITS

GAIN OR (LOSS) ON DISPOSITIONS  
OTHER INCOME  
OVERPMT OF COMMISSION RECOVERY  
BOOST MOBILE SPIFFS  
RENTAL INCOME-BARKSDALE BUILD.  
OPERATING EXP-BARKSDALE BUILD.  
SUSPENSES(DATA PRO SYSTEM)  
-----  
TOTAL OTHER REVENUE AND (EXPENSES)

-----  
NET INCOME (LOSS)  
=====

THIS STATEMENT PREPARED FOR MANAGEMENT USE AND IS  
UNAUDITED, COMPILED BY BUDGET PHONE, INC.