

**EXHIBIT D**

**Financial Statements**

BALANCE SHEET

EASTON TELECOM SERVICES, LLC.

	December 31	
	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 53,465	\$ 76,468
Accounts receivable - trade	1,111,317	946,122
Costs recoverable	<u>400,000</u>	<u>400,000</u>
Total Current Assets	1,564,782	1,422,590
PROPERTY AND EQUIPMENT	117,258	114,394
Less: Allowance for depreciation	<u>91,575</u>	<u>84,335</u>
Total Property and Equipment	25,683	30,059
<b>OTHER ASSETS:</b>		
Intangible assets	2,306	3,041
Deposits	<u>44,570</u>	<u>43,500</u>
Total Other Assets	<u>46,876</u>	<u>46,541</u>
Total Assets	<u>\$ 1,637,341</u>	<u>\$ 1,499,190</u>

See accompanying notes and accountants' review report.



STATEMENT OF MEMBERS' EQUITY

EASTON TELECOM SERVICES, LLC.

	Year Ended December 31	
	<u>2008</u>	<u>2007</u>
Beginning - Members' Equity	\$ (612,352)	\$ (508,186)
Net income	193,639	343,955
Distributions	<u>(333,330)</u>	<u>(448,121)</u>
Ending - Members' Equity	<u>\$ (752,043)</u>	<u>\$ (612,352)</u>

*See accompanying notes and accountants' review report.*

STATEMENT OF INCOME  
EASTON TELECOM SERVICES, LLC.

	Year Ended December 31	
	2008	2007
Net sales	\$ 10,878,678	\$ 12,402,203
Purchase of phone services	6,760,662	8,038,980
Commissions	1,984,643	2,171,158
Cost of Sales	8,745,305	10,210,138
Gross Profit	2,133,373	2,192,065
Operating Expenses	1,931,207	1,849,564
Income from Operations	202,166	342,501
Other Income (Expense):		
Interest income	110	131
Interest expense	(38,962)	(39,476)
USF administrative fee, etc.	33,063	40,799
Misc expense	(2,738)	-
Total Other Income (Expense)	(8,527)	1,454
Net Income	\$ 193,639	\$ 343,955

*See accompanying notes and accountants' review report.*

STATEMENT OF CASH FLOWS  
EASTON TELECOM SERVICES, LLC.

	Years Ended December 31	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 10,748,368	\$ 12,514,534
Interest received	110	131
Cash paid to suppliers and employees	(10,433,644)	(12,067,507)
Interest paid	(38,962)	(39,476)
Net Cash Provided by Operating Activities	275,872	407,682
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(2,864)	(4,778)
Return of (Additional) deposits	(1,070)	5,000
Net Cash Provided by (Used in) Investing Activities	(3,934)	222
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term debt	(293,313)	(71,786)
Net borrowing (repayments) on line-of-credit	331,702	66,500
Dividends paid	(333,330)	(448,121)
Net Cash Used in Financing Activities	(294,941)	(453,407)
Decrease in Cash and Cash Equivalents	(23,003)	(45,503)
Cash and Cash Equivalents - Beginning of the Year	76,468	121,971
Cash and Cash Equivalents - End of the Year	\$ 53,465	\$ 76,468

*See accompanying notes and accountants' review report.*

	Years Ended December 31	
	<u>2008</u>	<u>2007</u>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Net income	\$ 193,639	\$ 343,955
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	7,240	10,128
Amortization	735	4,846
Increase (Decrease) in Cash from Changes in:		
Accounts receivable	(165,195)	80,199
Accounts payable	174,692	30,541
Accrued expenses	60,201	(53,320)
Deferred revenue	<u>4,560</u>	<u>(8,667)</u>
Total Adjustments	<u>82,233</u>	<u>63,727</u>
Net Cash Provided by Operating Activities	<u>\$ 275,872</u>	<u>\$ 407,682</u>