

B A L A N C E S H E E T

13449

DECEMBER 31, 2002

PAGE 1

ASSETS

CURRENT ASSETS

PETTY CASH 1,000.00
 CASH IN BANK-FIRST UNION 297.08
 EVERGREEN TAX-EXEMPT FUND 3,429.14
 CIB-BANK OF AMERICAN-STATION ACCT 644.31
 CIB-BANK OF AMERICA-DEPOSITORY ACCT 25,873.98
 TRADE AGREEMENTS (R/T/A) 33,650.00
 ACCOUNTS RECEIVABLE 154,902.83
 PREPAID INSURANCE 9,958.68

TOTAL CURRENT ASSETS

229,756.02

PROPERTY, PLANT & EQUIPMENT

BUILDINGS & FENCING 864,775.87
 LAND 85,000.00
 EQUIPMENT - GENERAL 2,751,682.23
 COMMUNICATION & DP EQUIPMENT 664,874.97
 OFFICE EQUIPMENT 5,563.71
 TOWERS 1,746,902.74
 FURNITURE & FIXTURES 9,413.71
 MOVIE/SERIES PACKAGES-LICENSED 354,140.12
 TRANSPORTATION EQUIPMENT 24,004.57
 LEASEHOLD INTEREST 36,450.00
 INTANGIBLE ASSETS 137,000.00
 ACCUMULATED DEPRECIATION 1,958,519.05
 ACCUMULATED AMORTIZATION 166,298.75

TOTAL PROPERTY, PLANT & EQUIPMENT

4,554,990.12

OTHER ASSETS

START-UP COSTS 344,934.80
 ACCUMULATED AMORTZ-START UP COSTS 132,225.08
 SECURITY DEPOSIT - SALES OFFICE 680.00
 SECURITY DEPOSITS - OTHER 475.00
 FCC LICENSE 5,425,231.05
 ACCUMULATED AMORTZ-FCC LICENSE 693,223.96

TOTAL OTHER ASSETS

4,945,871.81

TOTAL ASSETS

9,730,617.95

B A L A N C E S H E E T

13449

DECEMBER 31, 2002

PAGE 2

LIABILITIES & PARTNERSHIP EQUITY

CURRENT LIABILITIES

| | |
|------------------------------------|------------|
| ACCOUNTS PAYABLE | 7,586.16 |
| ACCRUED PAYROLL | 15,902.95 |
| ACCRUED UNEMPLOYMENT TAXES-FEDERAL | 51.93 |
| ACCRUED UNEMPLOYMENT TAXES-FLORIDA | 134.04 |
| A/P-MOVIE DISTRIBUTORS | 251,749.44 |
| ACCRUED COMMISSIONS | 4,288.10 |
| CUSTOMER DEPOSITS | 50,741.09 |

315,281.39

TOTAL CURRENT LIABILITIES

ADVANCES

.00

TOTAL ADVANCES

LONG TERM DEBT

TAPSCAN-OMEGA 32 SOFTWARE PROGRAM 36,490.00

TOTAL LONG TERM DEBT

36,490.00

PARTNERSHIP EQUITY

CAPITAL 11,825,218.14

CURRENT YEAR LOSS 2,446,371.58

TOTAL STOCKHOLDERS EQUITY

9,378,846.56

TOTAL LIABILITIES AND EQUITY

9,730,617.95

1/16/03

13449

I N C O M E S T A T E M E N T

FOR THE MONTH ENDING 12/31/02

DECEMBER PCT YEAR TO DATE PCT

REVENUE

ADVERTISING REVENUE 64,210.67 76.1 723,505.73 75.2

R/T/A ADVERTISING REVENUE 17,750.43 21.0 100,284.35 10.4

RENTAL INCOME 650.00 .8 7,800.00 .8

CO-OP INCOME .00 .0 66,569.67 6.9

PRODUCTION REVENUE 1,815.00 2.1 63,332.64 6.6

TOTAL REVENUE 84,426.10 100.0 961,492.39 99.9

COST OF OPERATIONS

OPERATIONAL SUPPLIES .00 .0 973.36 .1

PROGRAMMING EXPENSE 243.95 .3 543.95 .1

TALENT EXPENSES .00 .0 3,600.00 .4

PRODUCTION EXPENSE 614.68 .7 4,799.74 .5

SALES COMMISSIONS 6,577.36 7.8 81,746.94 8.5

MUSIC LIBRARY .00 .0 1,300.00 .1

INTERNET/WEBSITE DESIGN 79.95 .1 634.14 .1

VIDEO TAPES .00 .0 8,657.20 .9

MAINTENANCE & REPAIR 700.00 .8 14,373.14 1.5

TOTAL COST OF OPERATIONS 8,215.94 9.7 116,628.47 12.2

GROSS PROFIT

76,210.16 90.3 844,863.92 87.7

GENERAL & ADMINISTRATIVE EXPENSES

SALARIES - OFFICE & ADMINISTRATIVE 50,688.38 60.0 674,200.17 70.1

SALARIES - VACATION 230.77 .3 879.69 .1

FICA - EMPLOYERS 3,479.37 4.1 55,729.69 5.8

UNEMPLOYMENT - FEDERAL 4.08 .0 1,528.93 .2

UNEMPLOYMENT - STATE 15.14 .0 5,581.77 .6

EMPLOYEE HOUSING ALLOWANCE .00 .0 2,400.00 .2

RENT 680.00 .8 23,960.00 2.5

RENTAL EQUIPMENT 798.01 .9 11,035.92 1.1

UTILITIES - ELECTRICITY 5,488.00 6.5 112,756.58 11.7

UTILITIES - WATER/SEWER/GARBAGE 193.00 .2 2,146.99 .2

UTILITIES - TELEPHONE 18,460.10- 21.9 18,188.82 1.9

UTILITIES - GAS .00 .0 320.45 .0

UTILITIES-CABLE SERVICE 103.90 .1 377.89 .0

INSURANCE - GENERAL 3,925.99 4.7 49,056.73 5.1

INSURANCE - WORKMANS COMPENSATION 421.34 .5 5,270.08 .5

INSURANCE - GROUP HEALTH 3,020.29 3.6 39,903.39 4.2

TAXES - REAL ESTATE 6,532.12 7.7 13,577.02 1.4

TAXES - PERSONAL PROPERTY 17,200.06 20.4 17,312.09 1.8

1/16/03

13449

I N C O M E S T A T E M E N T

FOR THE MONTH ENDING 12/31/02

| | DECEMBER | PCT | YEAR TO DATE | PCT |
|--------------------------------------|------------|-------|--------------|-------|
| TAXES - LICENSES - OTHER | 157.93 | 2 | 18,626.12 | 1.9 |
| OFFICE SUPPLIES & EXPENSES | 1,673.42 | 2.0 | 13,519.07 | 1.4 |
| POSTAGE EXPENSE & FREIGHT | 309.95 | 4 | 14,530.03 | 1.5 |
| DUES/SUBSCRIPTIONS | 5,695.44 | 6.7 | 62,630.88 | 6.5 |
| OPERATIONAL SUPPLIES AND EXPENSE | .00 | 0 | 111.44 | 0 |
| TRANSPORTATION EXPENSE | 1,021.12 | 1.2 | 30,085.59 | 3.1 |
| TRAVEL & RELATED EXPENSES | 400.00 | 5 | 10,991.22 | 1.1 |
| MEALS & ENTERTAINMENT-LOCAL | 17.00 | 0 | 17.00 | 0 |
| MEALS & ENTERTAINMENT | 1,515.83 | 1.8 | 10,184.01 | 1.1 |
| REPAIRS & MAINTENANCE | 638.00 | 8 | 46,197.46 | 4.8 |
| ADVERTISING/PROMOTIONS | 12,748.81 | 15.1 | 206,939.12 | 21.5 |
| SECURITY EXPENSE | .00 | 0 | 479.40 | 0 |
| SEMINARS & EDUCATION | .00 | 0 | 6,072.56 | 6 |
| EMPLOYEE RELATIONS EXPENSE | 950.00 | 1.1 | 3,891.77 | 4 |
| ADMINISTRATIVE EXPENSES | 24.00 | 0 | 24.00 | 0 |
| BAD DEBT EXPENSE | 7,900.00 | 9.4 | 12,014.00 | 1.2 |
| CLEANING/EXTERMINATING | 722.62 | 9 | 5,674.49 | 6 |
| MAINTENANCE AGREEMENTS | 1,725.00 | 2.0 | 17,035.00 | 1.8 |
| LEGAL | .00 | 0 | 2,028.04 | 2 |
| ACCOUNTING | .00 | 0 | 3,235.00 | 3 |
| BANK CHARGES | 37.36 | 0 | 403.30 | 0 |
| OUTSIDE CONSULTANTS | .00 | 0 | 31,500.00 | 3.3 |
| TOTAL GENERAL & ADMINISTRATIVE | 109,856.83 | 130.0 | 1,530,405.71 | 158.7 |
| EARNINGS BEFORE INTEREST, DEP. & TAX | 33,646.67 | 39.7 | 685,541.79 | 71.0 |

OTHER INCOME/EXPENSES

| | | | | |
|-----------------------------------|------------|-------|--------------|-------|
| DISCOUNTS EARNED | 10.00 | 0 | 198.07 | 0 |
| OTHER INCOME | .00 | 0 | 241.02 | 0 |
| INTEREST INCOME - TAX EXEMPT | 7.20 | 0 | 104.78 | 0 |
| DEPRECIATION/AMORTIZATION EXPENSE | 151,939.49 | 180.0 | 1,761,373.63 | 183.2 |
| INTEREST EXPENSE - GENERAL | .00 | 0 | .03 | 0 |
| NET INCOME | 185,568.96 | 219.8 | 2,446,371.58 | 254.4 |

9/22/03

13449

PAGE 1

R. S. COMMUNICATIONS LTD

BALANCE SHEET

JULY 31, 2003

ASSETS

CURRENT ASSETS

| | |
|-------------------------------------|------------|
| PETTY CASH | 1,000.00 |
| CASH IN BANK-FIRST UNION | 8,319.98 |
| EVERGREEN TAX-EXEMPT FUND | 2,521.93 |
| CIB-BANK OF AMERICA-STATION ACCT | 644.31 |
| CIB-BANK OF AMERICA-DEPOSITORY ACCT | 14,059.75 |
| TRADE AGREEMENTS (R/T/A) | 60,002.75 |
| ACCOUNTS RECEIVABLE | 115,705.32 |
| PREPAID INSURANCE | 36,439.74 |

238,689.78

TOTAL CURRENT ASSETS

PROPERTY, PLANT & EQUIPMENT

| | |
|--------------------------------|--------------|
| BUILDINGS & FENCING | 864,775.87 |
| LAND | 85,000.00 |
| EQUIPMENT - GENERAL | 2,751,682.23 |
| COMMUNICATION & DP EQUIPMENT | 664,874.97 |
| OFFICE EQUIPMENT | 5,563.71 |
| TOWERS | 1,746,902.74 |
| FURNITURE & FIXTURES | 9,413.71 |
| MOVIE/SERIES PACKAGES-LICENSED | 354,171.12 |
| TRANSPORTATION EQUIPMENT | 24,004.57 |
| LEASEHOLD INTEREST | 36,450.00 |
| INTANGIBLE ASSETS | 137,000.00 |
| ACCUMULATED DEPRECIATION | 2,433,057.87 |
| ACCUMULATED AMORTIZATION | 243,344.39 |

4,003,436.66

TOTAL PROPERTY, PLANT & EQUIPMENT

OTHER ASSETS

| | |
|-----------------------------------|--------------|
| START-UP COSTS | 344,934.80 |
| ACCUMULATED AMORTZ-START UP COSTS | 172,467.52 |
| SECURITY DEPOSIT - SALES OFFICE | 680.00 |
| SECURITY-DEPOSITS - OTHER | 475.00 |
| FCC LICENSE | 5,425,231.05 |
| ACCUMULATED AMORTZ-FCC LICENSE | 904,205.22 |

4,694,648.11

TOTAL OTHER ASSETS

TOTAL ASSETS

8,936,774.55

9/22/03

R. S. COMMUNICATIONS LTD

13449

BALANCE SHEET

PAGE 2

JULY 31, 2003

LIABILITIES & PARTNERSHIP EQUITY

CURRENT LIABILITIES

| | |
|------------------------------------|------------|
| ACCOUNTS PAYABLE | 6,623.08- |
| ACCURED PAYROLL | 20,216.52 |
| ACCURED UNEMPLOYMENT TAXES-FEDERAL | 26.30 |
| ACCURED UNEMPLOYMENT TAXES-FLORIDA | 132.94 |
| ACCURED EXPENSES | 22,113.10 |
| A/P-MOVIE DISTRIBUTORS | 190,425.75 |
| ACCURED COMMISSIONS | 4,656.45 |
| CUSTOMER DEPOSITS | 58,525.41 |

289,473.39

TOTAL CURRENT LIABILITIES

ADVANCES

.00

TOTAL ADVANCES

LONG TERM DEBT

TAPSCAN-OMEGA 32 SOFTWARE PROGRAM 26,025.00

26,025.00

TOTAL LONG TERM DEBT

PARTNERSHIP EQUITY

CAPITAL 9,715,846.56

CURRENT YEAR LOSS

1,094,570.40

TOTAL STOCKHOLDERS EQUITY

8,621,276.16

TOTAL LIABILITIES AND EQUITY

8,936,774.55

R. S. COMMUNICATIONS LTD

PAGE 1

9/22/03

13449

INCOME STATEMENT

FOR THE MONTH ENDING 7/31/03

| | JULY | PCT | YEAR TO DATE | PCT |
|------------------------------------|-----------|------|--------------|-------|
| REVENUE | | | | |
| ADVERTISING REVENUE | 42,791.00 | 80.6 | 381,004.87 | 73.4 |
| R/TA ADVERTISING REVENUE | 6,700.16 | 12.6 | 90,870.16 | 17.5 |
| RENTAL INCOME | 650.00 | 1.2 | 4,550.00 | .9 |
| CO-OP INCOME | .00 | .0 | 11,802.50 | 2.3 |
| PRODUCTION REVENUE | 2,918.00 | 5.5 | 31,097.81 | 6.0 |
| TOTAL REVENUE | 53,059.16 | 99.9 | 519,325.34 | 100.1 |
| COST OF OPERATIONS | | | | |
| OPERATIONAL SUPPLIES | .00 | .0 | 383.98 | .1 |
| PRODUCTION EXPENSE | 271.12 | .5 | 892.64 | .2 |
| SALES COMMISSIONS | 5,707.25 | 10.8 | 41,639.36 | 8.0 |
| MUSIC LIBRARY | .00 | .0 | 1,845.00 | .4 |
| INTERNET/WEBSITE DESIGN | 334.95 | .6 | 2,344.65 | .5 |
| VIDEO TAPES | 692.22 | 1.3 | 5,215.56 | 1.0 |
| MUSIC FEES | 660.86 | 1.2 | 4,626.02 | .9 |
| MAINTENANCE & REPAIR | 24.98 | .0 | 20,420.44 | 3.9 |
| TOTAL COST OF OPERATIONS | 7,691.38 | 14.4 | 36,526.77 | 7.2 |
| GROSS PROFIT | 45,367.78 | 85.5 | 482,798.57 | 92.9 |
| GENERAL & ADMINISTRATIVE EXPENSES | | | | |
| SALARIES - OFFICE & ADMINISTRATIVE | 51,464.98 | 97.0 | 366,581.76 | 70.6 |
| FICA - EMPLOYERS | 3,763.45 | 7.1 | 29,589.93 | 5.7 |
| UNEMPLOYMENT - FEDERAL | 26.46 | .0 | 1,400.65 | .3 |
| UNEMPLOYMENT - STATE | 254.18 | .5 | 5,779.36 | 1.1 |
| RENT | 680.00 | 1.3 | 16,760.00 | 3.2 |
| RENTAL EQUIPMENT | 4,726.53 | 8.9 | 6,264.62 | 1.2 |
| UTILITIES - ELECTRICITY | 8,512.41 | 16.0 | 69,621.03 | 13.4 |
| UTILITIES - WATER/SEWER/GARBAGE | 193.00 | .4 | 1,263.00 | .2 |
| UTILITIES - TELEPHONE | 2,421.55 | 4.6 | 31,346.62 | 6.0 |
| UTILITIES - CABLE SERVICE | 32.95 | .1 | 230.65 | .0 |
| INSURANCE - GENERAL | 4,544.42 | 8.6 | 31,127.08 | 6.0 |
| INSURANCE - WORKMANS COMPENSATION | 516.08 | 1.0 | 3,138.86 | .6 |
| INSURANCE - GROUP HEALTH | 3,604.42 | 6.8 | 26,035.32 | 5.0 |
| INSURANCE - PERSONAL PROPERTY | .00 | .0 | 155.02 | .0 |
| TAXES - LICENSES - OTHER | 346.06 | .7 | 692.72 | .1 |
| OFFICE SUPPLIES & EXPENSES | 281.33 | .5 | 4,384.03 | .8 |
| POSTAGE EXPENSE & FREIGHT | 368.50 | .7 | 2,056.99 | .4 |
| PRINT/ELECTRONIC SUBSCRIPTIONS | .00 | .0 | 580.00 | .1 |
| TRANSPORTATION EXPENSE | 948.09 | 1.8 | 11,158.22 | 2.1 |

R.S. COMMUNICATIONS LTD

INCOME STATEMENT

FOR THE MONTH ENDING 7/31/03

| | JULY | PCT | YEAR TO DATE | PCT |
|--------------------------------------|------------|-------|--------------|-------|
| TRAVEL & RELATED EXPENSES | 222.50 | 4 | 3,750.27 | 7 |
| MEALS & ENTERTAINMENT-LOCAL | 436.83 | 8 | 5,428.75 | 1.0 |
| MEALS & ENTERTAINMENT-TRAVEL | .00 | .0 | 1,080.82 | .2 |
| REPAIRS & MAINTENANCE | 228.98 | 4 | 1,891.67 | .4 |
| ADVERTISING/PROMOTIONS | 2,105.46 | 4.0 | 71,044.43 | 13.7 |
| SECURITY EXPENSE | .00 | .0 | 239.70 | .0 |
| SEMINARS & EDUCATION | .00 | .0 | 1,200.00 | .2 |
| EMPLOYEE RELATIONS EXPENSE | .00 | .0 | 5,094.30 | 1.0 |
| SOFTWARE/RATINGS EXPENSE | 6,493.62 | 12.2 | 42,943.12 | 8.3 |
| MEMBERSHIP DUES | 113.00 | .2 | 1,526.00 | .3 |
| BAD DEBT EXPENSE | .00 | .0 | 5,550.00 | 1.1 |
| CLEANING/EXTERMINATING | 504.00 | .9 | 2,180.00 | .4 |
| LEGAL | .00 | .0 | 14,270.51 | 2.7 |
| ACCOUNTING | .00 | .0 | 3,345.00 | .6 |
| BANK CHARGES | 42.23 | .1 | 323.59 | .1 |
| OUTSIDE CONSULTANTS | 150.00 | .3 | 150.00 | .0 |
| TOTAL GENERAL & ADMINISTRATIVE | 88,770.11 | 167.3 | 768,184.02 | 147.5 |
| EARNINGS BEFORE INTEREST, DEP. & TAX | 43,402.33 | 81.8 | 285,385.45 | 54.6 |
| OTHER INCOME/EXPENSES | | | | |
| DISCOUNTS EARNED | 10.00 | .0 | 174.00 | .0 |
| OTHER INCOME | .00 | .0 | 25.10 | .0 |
| INTEREST INCOME - TAX EXEMPT | 1.27 | .0 | 23.06 | .0 |
| DEPRECIATION/AMORTIZATION EXPENSE | 115,628.88 | 217.9 | 809,402.16 | 155.9 |
| INTEREST EXPENSE - GENERAL | 4.95 | .0 | 4.95 | .0 |
| NET INCOME | 159,024.89 | 299.7 | 1,094,570.40 | 210.8 |