NOVA COMMUNICATIONS LTD
Form 10KSB/A
April 30, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB/A

AMENDMENT NO. 1 TO
/X/ ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: DECEMBER 31, 2002

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For transition period from ____________to_____________

Commission File Number: 2-98014-D

NOVA COMMUNICATIONS LTD.
(formerly First Colonial Ventures, Ltd.)
(Name of small business issuer in its charter)

NEVADA	95-4756822
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

370 Amapola Ave., Suite 202, TORRANCE, CA 90501
(Address of principal executive offices)
Issuer's telephone number (310) 642-0200

Securities registered under Section 12 (b) of the Exchange Act:
NONE

Securities registered under Section 12 (g) of the Exchange Act:
COMMON STOCK, $.001 PAR VALUE
(Title of Class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15 (d) of the Exchange during the past 12 months (or for such shorter period that the Company was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days:
YES /X/ NO / /

EXPLANATORY NOTE: THIS AMENDMENT IS FOR THE PURPOSE OF PROVIDING THE COMPANY'S AUDTED FINANCIAL STSTEMENTS. THE ORIGINAL FORM 10KSB FILED ON APRIL 16, 2003, CONTAINED UNAUDITED FINANCIAL STATEMENTS WHILE AWAITING COMPLETION OF THE AUDITED FINANCIAL STATEMENTS.

NOVA COMMUNICATIONS LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002 AND 2001
WITH
REPORT OF INDEPENDENT AUDITOR'S

NOVA COMMUNICATIONS LTD.

Years ended December 31, 2002 and 2001

Contents

REPORT OF INDEPENDENT AUDITOR'S

To the Stockholders
Nova Communications Ltd.

We have audited the accompanying consolidated balance sheet of Nova Communications Ltd. as of December 31, 2002 and 2001, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity (deficit), and cash flows for each of the two years in the period ended December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nova Communications Ltd. as of December 31, 2002 and 2001 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2002 in accordance with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 2 to the consolidated financial statements, the Company has a working capital deficit, a net capital deficiency, and recurring net losses that raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/TIMOTHY L. STEERS

Timothy L. Steers
Certified Public Accountant, LLC

April 28, 2003
Portland, Oregon

NOVA COMMUNICATIONS LTD.

Consolidated Balance Sheets

	December 3	
	2002	
ASSETS		
Current assets:		
Cash	$ 161,129	$
Accounts receivable, less allowance for uncollectible accounts of $38,015 in 2002 ($6,885 in 2001)	28,003	
Notes receivable	31,276	
Prepaid expenses and deposits	21,123	
Available-for-sale investments	32,625	
Total current assets	274,156	

Equipment, net	194,401	
Equipment of discontinued operations, net	-	
Other assets:		
Goodwill, less accumulated amortization of $37,688 in 2002 ($20,938 in 2001)	79,562	
Deposits	3,063	
Net other assets of discontinued operations	-	
Total other assets	82,625	
	$ 551,182	$

See accompanying notes.

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	December 3	
	2002	
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 420,427	$
Payable to related parties	27,121	
Accrued payroll and payroll related liabilities	255,368	
Customer deposits	24,538	
Income taxes payable	1,600	
Other accrued liabilities	46,859	
Other accrued liabilities to related parties	297,197	
Long-term obligations, due within one year	118,586	
Net current liabilities of discontinued operations	-	
Total current liabilities	1,191,696	
Long-term obligations	863,218	
Long-term obligations of discontinued operations	-	
Notes payable to related parties	625,000	
Notes payable to related parties of discontinued operations	-	
Net Capital Deficiency:		
Preferred stock; no par value; authorized 10,000,000 shares	-	

Common stock; $.001 par value; authorized 500,000,000 shares; outstanding 46,958,181 shares in 2002 (31,428,458 shares in 2001)	46,958
Common stock to be issued	-
Additional paid-in capital	13,797,842
Retained deficit	(15,508,400)
Unrealized holding loss from available-for-sale investments	(465,132)
Net capital deficiency	(2,128,732)
	$ 551,182

See accompanying notes.

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NOVA COMMUNICATIONS LTD.

Consolidated Statements of Operations

	Years ended December 31 2002	2001
Revenues	$ 7,890,400	$ 4,097,716
Cost of sales	6,754,486	3,320,223
Gross margin	1,135,914	777,493
Operating expenses:		
Selling	397,196	237,299
General and administrative	1,560,003	1,312,408
Total operating expenses	1,957,199	1,549,707
Loss from operations	(821,285)	(772,214)
Interest and loan fees, net	101,172	104,599
Loss before benefit for income taxes	(922,457)	(876,813)

Provision for income taxes	800	800
Net loss from continuing operations	(923,257)	(877,613)
Discontinued operations:		
Net loss, net of benefit for income taxes	(775,366)	(6,726,546)
Net gain on disposal	5,522,708	-
Net income (loss) from discontinued operations	4,747,372	(6,726,546)
Net income (loss)	$ 3,824,115	$ (7,604,159)
Net income (loss) per common share:		
Continuing operations	$ (.021)	$ (.039)
Discontinued operations	$ .111	$ (.301)

See accompanying notes.

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NOVA COMMUNICATIONS LTD.

Consolidated Statements of Comprehensive Loss

	Years ended De	
	2002	
Net income (loss)	$ 3,824,115	$
Unrealized holding loss on available-for-sale investments	-	
Comprehensive income (loss)	$ 3,824,115	$
Comprehensive income (loss) per common share	$ .090	$

See accompanying notes.

NOVA COMMUNICATIONS LTD.

Consolidated Statement of Changes in Stockholders' Equity (Deficit)
January 1, 2001 through December 31, 2002

	Preferred stock	Common stock		Common stock to be issued	Additional paid-in capital	Ret de
		Shares	Amount			
Balance at January 1, 2000	$ -	18,603,622	$18,604	$ 371,953	$11,842,912	$(11,
Shares issued	-	1,250,000	1,250	(371,953)	370,703	
Common stock issued in exchange for interest and loan fees	-	400,000	400	20,000	47,600	
Common stock issued to employees of Communications 2000, Inc.	-	365,000	365	-	58,035	
Common stock issued in exchange for services	-	10,809,836	10,810	-	724,890	
Additional paid-in-capital from sale of common stock by subsidiary	-	-	-	-	31,383	
Comprehensive loss	-	-	-	-	-	(7,
Balance at December 31, 2001	-	31,428,458	31,429	20,000	13,075,523	(19,
Shares issued	-	-	-	(20,000)	20,000	
Common stock issued in exchange for interest and loan fees	-	400,000	400	-	69,600	
Common stock issued in exchange						

for long-term debt	-	143,313	143	-	24,857	
Common stock issued in exchange for services	-	14,986,410	14,986	-	607,862	
Comprehensive income	-	-	-	-	-	3,
Balance at December 31, 2002	$ -	46,958,181	$46,958	$ -	$13,797,842	$(15,

See accompanying notes.

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NOVA COMMUNICATIONS LTD.

Consolidated Statements of Cash Flows

	Years ended Dec 2002	
Cash flows from operating activities:		
Net loss from continuing operations	$ (923,257)	$
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	64,305	
Common stock issued for services and loan fees	692,848	
Provision (benefit) for uncollectible accounts receivable	31,130	
Changes in assets and liabilities:		
Receivables	34,271	
Prepaid expenses and deposits	(16,627)	
Accounts payable	(52,339)	
Accrued liabilities	375,232	
	205,563	
Cash flows from discontinued operations	(76,888)	
Cash flows from investing activities:		
Principal repayments on notes receivable	8,170	
Net investing activities of discontinued operations	-	
	8,170	
Cash flows from financing activities:		

Proceeds from long-term obligations		-
Principal payments on long-term obligations		(79,228)
Advances to related parties		2,167
Net financing activities of discontinued operations		-
		(77,061)
Net increase (decrease) in cash		59,784
Cash at beginning of year		101,345
Cash at end of year	$	161,129
Supplemental disclosure of cash flow information - cash paid for interest	$	36,456
Non-cash financing activities - common stock issued in exchange for long-term debt	$	25,000

See accompanying notes.

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NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
December 31, 2002

1. Business and summary of significant accounting policies

Business: Nova Communications Ltd. (the "Company" or "Nova") is incorporated under the laws of the State of Nevada. The Company invests in and provides managerial assistance to developing companies.

Basis of consolidation: The consolidated financial statements include the accounts of Nova and its 100% owned subsidiary Kadfield, Inc. ("Kadfield"). All intercompany accounts and transactions have been eliminated.

Cash and cash concentrations: For purposes of the statement of cash flows, the Company and its subsidiaries consider cash equivalents to be highly liquid instruments if, when purchased, their original due dates were within three months.

The Company and its subsidiary place their cash in financial institutions. At various times throughout the year, cash held in these accounts has exceeded Federal Deposit Insurance Corporation limits. Neither the Company nor its subsidiary has experienced any losses as a result of these cash concentrations.

Investments: Investments are accounted for under the provisions of Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"). SFAS 115 requires that all applicable investments be classified as trading securities, available-for-sale securities, or hold-to-maturity securities. The statement further requires that hold-to-maturity securities be reported at amortized cost and available-for-sale securities be reported at fair market value, with unrealized gains and losses excluded from earnings but reported in a separate component of shareholders' equity (net of the effects of income taxes) until they are disposed of or sold. At the time of disposal or sale, any gains or losses, calculated by the specific identification method, are recognized as a component of operating results.

Equipment: Equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets, which range from five to fifteen years.

Computer software obtained or developed for internal use is capitalized in accordance with Statement of Position 98-1, "Accounting for the Cost of Computer Software Developed for Internal Use". Amortization is computed using the straight-line method over seven years.

Goodwill: Goodwill represents the excess purchase price over the estimated fair value of the net assets of its subsidiary. Amortization is computed using the straight-line method over seven years.

1. Business and summary of significant accounting policies (continued)

Impairment of long-lived assets: The Company and its subsidiary assess the recoverability of long-lived assets by determining whether the depreciation and amortization of the asset's balance over its remaining life can be recovered through projected undiscounted future cash flows. The amount of impairment, if any, is measured based on fair value and charged to operations in the period in which the impairment is determined by management.

Revenue recognition: Revenue from Nova's managerial assistance services is recognized when services are rendered. Revenue from Kadfield's computer and electronic equipment sales is recognized when equipment is shipped to customers.

Stock based compensation: The Company and its subsidiary account for stock based compensation under Statement of Financial Accounting Standards No. 123 ("SFAS 123"). SFAS 123 defines a fair value based method of accounting for stock based compensation. However, SFAS 123 allows an entity to continue to measure compensation cost related to stock and stock options issued to employees using the intrinsic method of accounting prescribed by Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock Issued to Employees". Entities electing to remain with the accounting method of APB 25 must make pro forma disclosures of net income and earnings per share, as if the fair value method of accounting defined in SFAS 123 had been applied. The Company has elected to account for its stock based compensation to employees under APB 25.

Advertising: The Company and its subsidiary expense the cost of advertising as incurred as selling expenses. Advertising expenses were approximately $397,200 for 2002 ($142,200 for 2001).

Reporting comprehensive income: The Company and its subsidiary report and display comprehensive income and its components as separate amounts in the consolidated financial statements. Comprehensive income includes all changes in equity during a period that results from recognized transactions and other economic events other than transactions with owners.

Income taxes: Income taxes are provided on the liability method whereby deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases and reported amounts of assets and liabilities. Deferred tax assets and liabilities are computed using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the enactment date. The Company and its subsidiary provide a valuation allowance for certain deferred tax assets, if it is more likely than not that the Company or its subsidiaries will not realize tax assets through future operations.

1. Business and summary of significant accounting policies (continued)

Segment Reporting: The Company and its subsidiary report information about operating segments and related disclosures about products and services, geographic areas and major customers under Statement of Financial Accounting Standards No. 131 (SFAS 131), "Disclosures about Segments of an Enterprise and Related Information". Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance.

Net loss per common share: Net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The weighted average number of common stock shares outstanding was 42,599,877 for 2002 (22,353,319 for 2001). Preferred stock is not considered to be a common stock equivalent. Common stock to be issued is not considered to be a common stock equivalent as the effect on net loss per common share would be anti-dilutive.

Significant risks and uncertainties: The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Management of the Company has made certain estimates and assumptions regarding the collectibility of notes receivable and estimated fair value of investments. Such estimates and assumptions primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Operations

The Company has experienced recurring losses from operations and as of December 31, 2002 had a working capital deficit of $917,540 and a net capital deficiency of $2,128,732. In addition Kadfield is in default on various long-term obligations.

During 2002, the Company divested of its investment in Communications 2000, Inc., dba TEC-networks. The Company is also currently in negotiations to acquire the operations of a division of a publicly traded company and a data storage facility company.

The Company believes the above actions and along with other plans will allow them to continue operations and ultimately achieve profitability. Until then, the Company is dependent upon its ability to obtain additional capital and debt financing. The consolidated financial statements do not reflect adjustments relating to the recorded asset amounts, or the amounts of liabilities that would be necessary should the Company not be able to continue in existence.

3. Investments

The following is a summary of investment securities at December 31:

	2002	2001
U.S. corporate securities:		
Amortized cost	$ 497,757	$ 497,757
Gross unrealized losses	(465,132)	(465,132)
Estimated fair value	$ 32,625	$ 32,625

The Company's available-for-sale investments consist of the following U.S. Corporate Securities:

Gulf Coast Hotels, Inc. ("Gulf Coast"): The Company is a minority partner in Gulf Coast that was formed to purchase the rights to approximately 1.4 acres in Biloxi, Mississippi and to develop a high-rise condominium hotel on that site. Gulf Coast has been unable to raise the approximately $1,000,000 necessary to complete the down payment. The seller has provided extensions to Gulf Coast, however the agreement is in default. Management of Nova has determined that its investment in Gulf Coast had no value based upon the uncertainty of the outcome of Gulf Coast's default.

Legal Club: The Company owns 337,500 shares of common stock of Legal

Club, a publicly traded, nationwide membership organization providing access to attorney services at discounted rates. The value of the Company's investment in Legal Club was determined based upon the closing bid price of their common stock on December 31, 2002.

4. Equipment

Equipment consisted of the following at December 31:

	2002	2001
Office furniture and equipment	$ 100,834	$ 100,834
Computer software	261,750	261,750
	362,584	362,584
Less accumulated depreciation	(168,183)	(120,628)
Equipment, net	$ 194,401	$ 241,956

NOVA COMMUNICATIONS LTD.

Notes to Consolidated Financial Statements
December 31, 2002

5. Long-term obligations

Long-term obligations consisted of the following at December 31:

	2002	2001
Note payable and accrued interest payable to a PFK Development Group, secured by 337,500 shares of Legal Club stock and Nova has pledged 35% of its cash receipts from collections of its notes receivable, borrowings bear interest at 10% per annum, due December 2004.	$ 736,427	$ 666,427
Note payable to an individual	-	25,000
Capitalized lease obligations	245,377	47,121
	981,804	738,548
Less principal due within one year	(118,586)	(32,582)
Long-term obligations	$ 863,218	$ 705,966

Aggregate minimum future lease payments under capitalized leases are as follows for the years ending subsequent to December 31, 2002:

Years ending December 31:	
2003	$ 162,465
2004	68,985
2005	51,566
2006	6,240

Total minimum lease payment	289,256
Less amount representing interest	43,879
Present value of minimum future lease payments	$ 245,377

6. Notes payable to related parties

Notes payable to related parties is due to Palaut Management, Inc. in exchange for management consulting services. The note is unsecured, non-interest bearing, and due June 2004. Close family members of a stockholder of Nova control Palaut Management, Inc.

7. Common stock

In March 2002, the Board of Directors authorized the issuance of 143,313 shares of common stock of the Company to an in exchange for long-term obligations. Management of the Company valued the shares issued at $.175 per share, the closing bid price of the Company's common stock at the date of issuance. Management of the Company estimated the value of the Company's shares granted

7. Common stock (continued)

after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded.

In June 2002, the Board of Directors authorized the issuance of 400,000 shares of common stock of the Company to PFK Development Group as loan fees to extend the due date of a note payable to them from December 2003 to December 2004. Management of the Company valued the shares issued at $.175 per share, the closing bid price of the Company's common stock at the date of issuance, and recorded loan fees expense of $70,000. Management of the Company estimated the value of the Company's shares granted after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded.

During 2002, the Board of Directors authorized the issuance of an aggregate of 14,986,410 shares of common stock of the Company in exchange professional services. The weighted average issuance price of the shares was $.04 per share. Management of the Company valued the shares issued at the closing bid price of the Company's common stock at the date of issuance. Management of the Company estimated the value of the Company's shares granted after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded. The Company recorded professional fees aggregating $622,848 during the year ended December 31, 2002 as a result of these grants.

In June 2001, the Board of Directors authorized the issuance of 400,000 shares of common stock of the Company to PFK Development Group as loan fees to extend the due date of a note payable to them from December 2002 to December 2003. Management of the Company valued the shares issued at $.12 per share, the closing bid price of the Company's common stock at the date of issuance, and recorded loan fees expense of $48,600. Management of the Company estimated the value of the Company's shares granted after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded.

In June 2001, the Board of Directors authorized the issuance of 365,000 shares of common stock of the Company to key employees of TEC-networks. Management of the Company valued the shares issued at $.16 per share, the closing bid price of the Company's common stock at the date of issuance, and recorded compensation expense of $58,400. Management of the Company estimated the value of the Company's shares granted after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded.

During 2001, the Board of Directors authorized the issuance of an aggregate of 10,809,836 shares of common stock of the Company in exchange professional services. The weighted average issuance price of the shares was $.06 per share. Management of the Company valued the shares issued at the closing bid price of the

7. Common stock (continued)

Company's common stock at the date of issuance. Management of the Company estimated the value of the Company's shares granted after considering the historical trend of the trading prices for its common stock and the limited volume of shares being traded. The Company recorded professional fees aggregating $735,700 during the year ended December 31, 2001 as a result of these grants.

8. Income taxes

Deferred income taxes consisted of the following at December 31:

	2002	2001
eferred tax assets:		
Net operating loss carryovers	$ 3,828,800	$ 5,193,700
Unrealized losses on investments	158,100	158,100
Allowance for uncollectible accounts	12,900	20,000
	3,999,800	5,371,800
aluation allowance for deferred tax assets	(3,999,800)	(5,371,800)
Net deferred income taxes	$ -	$ -

The components of the provision (benefit) for income taxes are as follows for the years ended December 31:

	2002	2001
State of California -		
Currently payable (refundable)	$ 800	$ (3,045)

The provision (benefit) for income taxes is included in the accompanying income statements under the following captions for the years ended December 31:

	2002	2001
Continuing operations	$ 800	$ 800
Discontinued operations	-	(3,845)
	$ 800	$ (3,045)

Reconciliation of income taxes computed at the Federal statutory rate of 34% to the benefit for income taxes is as follows for the years ended December 31:

	2002	2001
Tax at statutory rates	$1,300,471	$(2,586,449)
Differences resulting from:		
State tax, net of Federal tax benefit	528	528
Non-deductible and other items	71,801	(10,024)

8. Income taxes (continued)

	2002	2001
Change in deferred tax valuation allowance	(1,372,000)	2,592,900
Benefit for income taxes	$ 800	$ (3,045)

The Company has approximately $11,261,000 in Federal and State of California net operating losses, which, if not utilized, expire through 2022.

The utilization of the net operating loss carryforwards could be limited due to restrictions imposed under Federal and state laws upon a change in ownership. The amount of the limitation, if any, has not been determined at this time. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As a result of the Company's continued losses and uncertainties surrounding the realization of the net operating loss carryforwards, management has determined that the realization of deferred tax assets is uncertain. Accordingly, a valuation allowance equal to the net deferred tax asset amount has been recorded as of December 31, 2002 and 2001.

9. Other related party transactions

The Company has entered into an agreement with a company for management consulting services. A close family member of a stockholder of Nova controls the management company. The agreement expires in June 2003 with renewal provisions. Under the terms of the agreement, the Company is obligated to pay the management company $205,000 per year.

10. Segment information

The Company considers its operations to be in two segments, each of which are strategic businesses that are managed separately because each business sells or provides distinct products and services. The segments are as follows: managerial assistance to developing companies and sale of computer and electronic equipment.

Financial information by business segment is as follows:

	Managerial assistance	Computer and electronic equipment	
		2002	
Revenues	$ 120,000	$ 7,770,400	$
Loss from operations	(741,286)	(79,999)	
Identifiable assets	81,314	408,797	
Depreciation and amortization	5,050	59,255	

10. Segment information (continued)

		2001	
Revenues	$ 243,252	$ 3,854,464	$
Loss from operations	(516,497)	(255,717)	
Identifiable assets	95,765	442,954	
Depreciation and amortization	5,050	59,255	

Reconciliation of the segment information to consolidated total assets is as follows as of December 31:

	2002	2001
Segment identifiable assets	$ 490,111	$ 538,719
Goodwill, net	61,071	73,928
Net assets of discontinued operations	-	427,292
Consolidated total assets	$ 551,182	$ 1,039,939

11. Discontinued operations

In June 2002, the Company completed the divestiture of Communications 2000, Inc., dba TEC-networks. Communications 2000, Inc. had annual sales in 2001 of approximately $3,900,000 and a loss from operations of approximately $3,300,000. The Company recorded a gain on the divestiture of Communications 2000, Inc. of $5,522,708.