

DEAF TALK, INC

Unaudited Accrual Basis Financial Statements
Period June 7, 2010 to April 30, 2011

Georgia C-Corporation
Merger Date June 7, 2010
Fiscal Year End April 30, 2011

Deaf-Talk, Inc.
Balance Sheet

	<u>Apr 30, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking Accounts	121,845.27
Savings Accounts	<u>33,246.81</u>
Total Checking/Savings	155,092.08
Accounts Receivable	
Accounts Receivable	<u>397,386.40</u>
Total Accounts Receivable	397,386.40
Other Current Assets	
Inventory Asset	<u>6,376.32</u>
Total Other Current Assets	<u>6,376.32</u>
Total Current Assets	558,854.80
Fixed Assets	
Equipment - Audio & Visual	17,161.00
Merger Cost	28,000.00
Organization Costs	<u>20,000.00</u>
Total Fixed Assets	65,161.00
Other Assets-Accumulated Depreciation	
Accum Dep - All Assets	(2,452.00)
Allowance for Bad Debts	(104,887.82)
Accumulated Amortization	<u>(2,876.00)</u>
Total Other Assets	<u>(110,215.82)</u>
TOTAL ASSETS	<u><u>513,799.98</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>247,495.42</u>
Total Accounts Payable	247,495.42
Other Current Liabilities	
Lease Amortization Note	38,498.88
Note Payable - Shareholders	30,000.00
Payroll Liabilities	<u>5,631.17</u>
Total Other Current Liabilities	<u>74,130.05</u>
Total Current Liabilities	<u>321,625.47</u>
Total Liabilities	321,625.47
Equity	
Additional Paid-In Capital	171,258.60
Capital Stock	12,137.67
Net Income	<u>8,778.24</u>
Total Equity	<u>192,174.51</u>
TOTAL LIABILITIES & EQUITY	<u><u>513,799.98</u></u>

Deaf-Talk, Inc.
Income Statement

Jun 7, '10 - Apr 30, 11

Ordinary Income/Expense	
Income	
Service & Interpretation Fees	2,145,370.07
Translations	88,631.85
Total Income	<u>2,234,001.92</u>
Cost of Goods Sold	
Equipment & Accessory Purchases	14,654.47
ASL & Foreign Language Interpretation	636,089.96
Installation	14,456.47
Total COGS	<u>665,200.90</u>
Gross Profit	1,568,801.02
Expense	
Advertising & Marketing	11,239.33
Amortization Expense	2,876.00
Bad Debt Expense	104,887.82
Bank Service Charges	3,597.41
Call Center Expense	15,484.12
Commissions	44,560.35
Contributions	100.00
Depreciation Expense	2,452.00
Dues and Subscriptions	1,094.95
Employee Benefits	1,000.00
Insurance	103,050.22
Interest Expense	9,875.97
Interpreting Expense	290,624.25
IP Network Infrastructure Costs	61,298.00
Licenses and Permits	450.00
Salary & Wages	471,548.05
Miscellaneous	2,135.28
Office Expenses	31,133.21
Organizational Fees	5,000.00
Postage and Delivery	16,372.60
Printing and Reproduction	384.75
Professional Fees	43,853.92
Rent	41,218.25
Repairs	4,688.54
Shipping Charges	2,725.06
Software	1,246.77
Taxes	4,290.51
Technical Support	12,159.38
Telephone	223,254.28
Training Materials	583.00
Travel & Entertainment	40,185.35
Utilities	6,051.80
Total Expense	<u>1,559,421.17</u>
Net Ordinary Income	9,379.85
Other Income/Expense	
Other Income	
Other Income	0.00
Total Other Income	<u>0.00</u>
Other Expense	
Other Expenses	601.61
Total Other Expense	<u>601.61</u>
Net Other Income	<u>(601.61)</u>
Net Income	<u>8,778.24</u>

NOTES TO FINANCIAL STATEMENTS

1-Deaf -Talk, LLC is reported on a cash basis. All Balance Sheet items were merged into Deaf Talk, Inc. as of the merger date. Deaf -Talk, Inc is accrual based, Fiscal Year End 4-30-11.

2-These financial statements are presented by management only and have not yet been audited. An outside accounting firm has prepared the two merged entities tax returns and assisted in the preparation of financial statements. An Independent Certified Public Accountant will be selected in a very short time period to prepare audited financials.

3-Information on common stock & a cash flow statement will be presented at the time of audit.

4-Federal & State Corporate taxes have not yet been accrued. Combined estimate \$10,000.

5-Income Statement of Deaf -Talk, LLC, prior to merger is included to show calendar year income.

6-Additonal Paid in Capital is a result of the merger from Deaf -Talk, LLC to Deaf -Talk, Inc.

7-Receivables run 60-90 days