

C Port Solutions, Inc.

Financial Statements
As of December 31, 2010
And for the Period then Ended
(unaudited)

C-Port Solutions, Incorporated
Balance Sheet
December 31, 2010

Assets

Current Assets:

Cash	\$ 263,349.98
Accounts Receivable-Trade	628,352.15
Accounts Receivable-Other	13,764.67
Inventory	328,667.42
Prepaid Insurance	10,059.29
Prepaid-Other	<u>12,305.03</u>

Total Current Assets	1,256,498.54
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Property and Equipment:

Equipment-Demo	181,324.15
Software	112,531.47
Van	3,000.00
Furniture & Fixtures	7,748.20
Other Fixed Assets	0.00
Less: Accumulated Depreciation	<u>(48,287.56)</u>

Total Property and Equipment	256,316.26
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Other Assets:

Deposits	<u>800.00</u>
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Total Other Assets	<u>800.00</u>
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Total Assets	<u><u>\$ 1,513,614.80</u></u>
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Liabilities and Stockholders' Equity

Current Liabilities:

Accounts Payable-Trade	\$ 225,882.79
Accounts Payable-Other	40,000.00
Sales Tax Payable	30,000.00
Accrued Warranty Expense	4,467.65
Accrued Interest	2,520.34
Deferred Revenue	<u>765,972.08</u>

Total Current Liabilities	1,068,842.86
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Long-Term Liabilities:

Loan Payable	<u>500,000.00</u>
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Total Long-Term Liabilities	500,000.00
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Total Liabilities	<u>1,568,842.86</u>
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Stockholders' Equity

Paid in Capital	500,000.00
Net Income (Loss)	<u>(555,228.06)</u>

Total Stockholders' Equity (Deficit)	<u>(55,228.06)</u>
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Total Liabilities & Equity	<u><u>\$ 1,513,614.80</u></u>
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C-Port Solutions, Incorporated
Income Statement
For the Month and Year to Date Ended December 31, 2010

	<u>Current-Actual</u>	<u>%</u>	<u>YTD-Actual</u>	<u>%</u>
<u>Revenues:</u>				
Mobile Collaboration Units	\$ 518,292.00	97.40	\$ 713,979.00	86.87
Mimio Interactive	0.00	0.00	6,561.68	0.80
Other	13,854.53	2.60	101,338.79	12.33
Total Revenues	532,146.53	100.00	821,879.47	100.00
<u>Cost of Sales:</u>				
Mobile Collaboration Units	395,500.36	74.32	505,167.76	61.46
Mimio Interactive	0.00	0.00	916.00	0.11
Outside Commissions	0.00	0.00	27,472.93	3.34
Reim. Expenses	758.04	0.14	95,305.87	11.60
Professional Services	0.00	0.00	8,373.00	1.02
Other	10,690.17	2.01	13,686.41	1.67
Total Cost of Sales	406,948.57	76.47	650,921.97	79.20
Gross Profit	125,197.96	23.53	170,957.50	20.80
<u>Operating Expenses:</u>				
Depreciation	42,954.59	8.07	42,954.59	5.23
Employee Benefits	10,907.85	2.05	61,761.40	7.51
Insurance	1,557.42	0.29	13,817.28	1.68
Office Expense	(1,248.41)	(0.23)	15,565.48	1.89
Other Operating Expenses	(9,868.26)	(1.85)	27,892.40	3.39
Professional Fees	0.00	0.00	4,604.35	0.56
Recruiting/Training	0.00	0.00	0.00	0.00
Rent	2,400.00	0.45	22,732.46	2.77
Salaries & Wages	73,280.64	13.77	395,930.36	48.17
Sales & Marketing	4,184.32	0.79	47,072.54	5.73
Telecom & Connectivity	5,011.60	0.94	18,659.57	2.27
Travel, Meals & Entertainment	26,428.60	4.97	50,342.75	6.13
Total Operating Expenses	155,608.35	29.24	701,333.18	85.33
Operating Income (Loss)	(30,410.39)	(5.71)	(530,375.68)	(64.53)
<u>Other Income (Expense):</u>				
Interest Expense	(2,525.40)	(0.47)	(2,928.23)	(0.36)
Interest Income	64.40	0.01	721.39	0.09
Factoring Expense	0.00	0.00	(20,297.82)	(2.47)
Other	2.46	0.00	(2,347.72)	(0.29)
Total Other Inc (Exp)	(2,458.54)	(0.46)	(24,852.38)	(3.02)
Net Income before Taxes	(32,868.93)	(6.18)	(555,228.06)	(67.56)
Income Taxes	0.00	0.00	0.00	0.00
Net Income	<u>(\$ 32,868.93)</u>	<u>(6.18)</u>	<u>(\$ 555,228.06)</u>	<u>(67.56)</u>

C-Port Solutions, Incorporated
Income Statement-Actual vs Budgeted
For the Month and Year to Date Ended December 31, 2010

	<u>Current-Actual</u>	<u>Current-Budget</u>	<u>Current-Variance</u>	<u>YTD-Actual</u>	<u>YTD-Budget</u>	<u>YTD-Variance</u>
<u>Revenues:</u>						
Mobile Collaboration Units	\$ 518,292.00	\$ 100,519.00	417,773.00	\$ 713,979.00	\$ 270,898.00	\$ 443,081.00
Mimio Interactive	0.00	0.00	0.00	6,561.68	0.00	6,561.68
Other	13,854.53	254,812.77	(240,958.24)	101,338.79	1,121,615.98	(1,020,277.19)
Total Revenues	532,146.53	355,331.77	176,814.76	821,879.47	1,392,513.98	(570,634.51)
<u>Cost of Sales:</u>						
Mobile Collaboration Units	395,500.36	50,918.00	344,582.36	505,167.76	150,612.00	354,555.76
Mimio Interactive	0.00	0.00	0.00	916.00	0.00	916.00
Outside Commissions	0.00	52,129.00	(52,129.00)	27,472.93	229,457.00	(201,984.07)
Reim. Expenses	758.04	0.00	758.04	95,305.87	0.00	95,305.87
Professional Services	0.00	0.00	0.00	8,373.00	0.00	8,373.00
Other	10,690.17	99,912.00	(89,221.83)	13,686.41	439,168.00	(425,481.59)
Total Cost of Sales	406,948.57	202,959.00	203,989.57	650,921.97	819,237.00	(168,315.03)
Gross Profit	125,197.96	152,372.77	(27,174.81)	170,957.50	573,276.98	(402,319.48)
<u>Operating Expenses:</u>						
Depreciation	42,954.59	5,665.31	37,289.28	42,954.59	48,696.12	(5,741.53)
Employee Benefits	10,907.85	18,063.33	(7,155.48)	61,761.40	132,200.65	(70,439.25)
Insurance	1,557.42	1,750.00	(192.58)	13,817.28	15,750.00	(1,932.72)
Office Expense	(1,248.41)	1,430.00	(2,678.41)	15,565.48	11,010.00	4,555.48
Other Operating Expenses	(9,868.26)	10,835.00	(20,703.26)	27,892.40	46,915.00	(19,022.60)
Professional Fees	0.00	11,000.00	(11,000.00)	4,604.35	99,000.00	(94,395.65)
Recruiting/Training	0.00	900.00	(900.00)	0.00	6,900.00	(6,900.00)
Rent	2,400.00	1,800.00	600.00	22,732.46	16,200.00	6,532.46
Salaries & Wages	73,280.64	52,916.69	20,363.95	395,930.36	404,583.45	(8,653.09)
Sales & Marketing	4,184.32	17,800.00	(13,615.68)	47,072.54	99,900.00	(52,827.46)
Telecom & Connectivity	5,011.60	2,798.00	2,213.60	18,659.57	23,954.00	(5,294.43)
Travel, Meals & Entertainment	26,428.60	17,980.00	8,448.60	50,342.75	161,580.00	(111,237.25)
Total Operating Expenses	155,608.35	142,938.33	12,670.02	701,333.18	1,066,689.22	(365,356.04)
Operating Income	(30,410.39)	9,434.44	(39,844.83)	(530,375.68)	(493,412.24)	(36,963.44)
<u>Other Income (Expense):</u>						
Interest Expense	(2,525.40)	0.00	(2,525.40)	(2,928.23)	0.00	(2,928.23)
Interest Income	64.40	2,194.13	(2,129.73)	721.39	9,683.53	(8,962.14)
Factoring Expense	0.00	(166,314.57)	166,314.57	(20,297.82)	(1,041,164.99)	1,020,867.17
Other	2.46	0.00	2.46	(2,347.72)	0.00	(2,347.72)
Total Other Inc (Exp)	(2,458.54)	(164,120.44)	161,661.90	(24,852.38)	(1,031,481.46)	1,006,629.08
Net Income before Taxes	(32,868.93)	(154,686.00)	121,817.07	(555,228.06)	(1,524,893.70)	969,665.64
Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	<u>(\$ 32,868.93)</u>	<u>(\$ 154,686.00)</u>	<u>\$ 121,817.07</u>	<u>(\$ 555,228.06)</u>	<u>(\$ 1,524,893.70)</u>	<u>\$ 969,665.64</u>

C-Port Solutions, Incorporated
Statement of Cash Flows
For the Month and Year to Date Ended December 31, 2010
Increase (Decrease) in Cash and Cash Equivalents

	<u>Current Month</u>	<u>YTD</u>
Cash flows from operating activities:		
Net Loss	\$ (32,868.93)	\$ (555,228.06)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,287.56	48,287.56
Loss (Gain) Sale of Assets	-	2,439.27
Net change in current assets and liabilities:		
Accounts Receivable	(464,359.64)	(642,116.82)
Inventory	173,074.88	(328,667.42)
Prepaid Expenses	(2,360.36)	(22,364.32)
Deposits	-	(800.00)
Accounts Payable-Trade	137,262.90	225,882.79
Accounts Payable-Other	(10,513.94)	40,000.00
Sales Tax Payable	29,918.00	30,000.00
Accrued Expenses	5,792.24	6,987.99
Deferred Revenue	66,205.62	765,972.08
Total Adjustments	(64,980.30)	74,894.30
Net cash provided (used) in operating activities	(49,561.67)	(429,606.93)
Cash flows from investing activities:		
Proceeds from sale of assets	-	2,239.95
Purchases of fixed assets	(36,864.48)	(309,283.04)
Net cash used in investing activities	(36,864.48)	(307,043.09)
Cash flows from financing activities:		
Proceeds from issuance of stock	-	500,000.00
Proceeds from loan	-	500,000.00
Net cash provided by financing activities	-	1,000,000.00
Net increase in cash and cash equivalents	(86,426.15)	263,349.98
Cash and cash equivalents at beginning of period	349,776.13	-
Cash and cash equivalents at end of period	\$ 263,349.98	\$ 263,349.98

Supplementary disclosures of cash flow information:

Cash paid during the year for:

Interest	5.06	407.89
Income tax	-	-

Supplementary schedule for noncash investing and financing activities: