

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2010

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Independent Auditors' Report

To the Board of Directors
Edeyo, Inc.
New York, NY

We have audited the accompanying statements of financial position of Edeyo, Inc. (a not-for-profit corporation) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edeyo, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

KBL, LLP

KBL, LLP
Certified Public Accountants and Advisors
November 14, 2011

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

Assets	
Current assets	
Cash and cash equivalents	\$ 237,584
Total current assets	
237,584	
Fixed assets	
Equipment	800
Less: accumulated depreciation	133
Net fixed assets	
667	
Total assets	
\$ 238,251	

Liabilities and Net Assets	
Current liabilities	
Accounts and accrued expenses payable	\$ 11,287
Total current liabilities	
11,287	
Total liabilities	
11,287	
Net assets	
Unrestricted	226,964
Temporarily restricted	--
Permanently restricted	--
Total net assets	
226,964	
Total liabilities and net assets	
\$ 238,251	

See the independent auditors' report and the notes to the financial statements.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED
DECEMBER 31, 2010

	General	Temporarily	Permanently	Total
Support and revenue				
Grants and contributions	\$ 452,734	\$ -	\$ -	\$ 452,734
Interest income	306	-	-	306
Net assets released from restrictions	-	-	-	-
Total support and revenue	453,040	-	-	453,040
Expenses				
Management and general	18,922	-	-	18,922
Program services	163,274	-	-	163,274
Fundraising expenses	60,505	-	-	60,505
Total expenses	242,701	-	-	242,701
Changes in net assets	210,339	-	-	210,339
Net assets, beginning of year	16,625	-	-	16,625
Net assets, end of year	\$ 226,964	\$ -	\$ -	\$ 226,964

See the independent auditors' report and the notes to the financial statements.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
DECEMBER 31, 2010

Cash flows from operating activities	
Changes in net assets	\$ 210,339
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	133
Changes in operating assets and liabilities:	
Increase in accounts payable	6,358
Net cash provided by operating activities	216,830
Cash flows from investing activities:	
Purchases of equipment	(800)
Net cash used in investing activities	(800)
Increase in cash and cash equivalents	216,030
Cash and cash equivalents, beginning of year	21,554
Cash and cash equivalents, end of year	\$ 237,584

Supplementary disclosures of cash flow information

Cash paid during the year for:	
Interest expense	\$ --

See the independent auditors' report and the notes to the financial statements.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
DECEMBER 31, 2010

	Program Services	Management and General	Fundraising	Total
Personnel costs	\$ 54,307	\$ -	\$ -	\$ 54,307
Travel	25,240	10,174	11,026	46,440
Event expenses			44,479	44,479
Repairs and maintenance	35,389			35,389
Program expenses	21,592			21,592
Banners and printing	7,068	1,829		8,897
Meetings	6,200			6,200
Professional fees			5,000	5,000
Accounting	2,250	2,250		4,500
Meals and entertainment	2,726	1,386		4,112
Office expenses	2,555	852		3,407
Information technology	1,264	140		1,404
Bank and finance charges	809	809		1,618
Miscellaneous	1,000			1,000
Rent	1,000			1,000
Credit card fees	471	471		942
Supplies	588	196		784
Telephone	336	336		672
Postage	241	241		482
Storage	171	172		343
Depreciation	67	66		133
	\$ 163,274	\$ 18,922	\$ 60,505	\$ 242,701

See the independent auditors' report and the notes to the financial statements.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS

1. THE ORGANIZATION

Edeyo, Inc. (“the Organization”) was incorporated in 2007 as a voluntary not-for-profit organization to provide free education, food, and educational supplies to children from kindergarten to 6th grade in the town of Port Au Prince in Haiti.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

FASB Accounting Standard Codification

Effective July 1, 2009, the Organization adopted The “FASB Accounting Standards Codification” and the Hierarchy of Generally Accepted Accounting Principles (ASC 105-10), (formerly SFAS No. 168, The “FASB Accounting Standards Codification” and the Hierarchy of Generally Accepted Accounting Principles). This standard establishes only two levels of U.S. generally accepted accounting principles (“GAAP”), authoritative and nonauthoritative. The Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (the “Codification”) became the source of authoritative, nongovernmental GAAP. The Codification is effective for interim and annual periods after September 15, 2009. The Organization began using the new guidelines and numbering system prescribed by the Codification when referring to GAAP in the first quarter of fiscal 2011. As the Codification was not intended to change or alter existing GAAP, it did not have any impact on the Organization’s financial statements.

Effective June 15, 2009, the Organization adopted a new accounting standard for subsequent events, as codified in ASC 855. The update modifies the names of the two types of subsequent events either as recognized subsequent events (previously referred to in practice as Type I subsequent events) or non-recognized subsequent events (previously referred to in practice as Type II subsequent events).

In addition, the standard modifies the definition of subsequent events to refer to events or transactions that occur after the balance sheet date, but before the financial statements are issued (for public entities) or available to be issued (for nonpublic entities).

See the independent auditors' report.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS

2. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

Basis of presentation (continued)

It also requires the disclosure of the date through which subsequent events have been evaluated. The update did not result in significant changes in the practice of subsequent event disclosures, and therefore the adoption did not have any impact on the Organization's financial statements. In accordance with ASC 855, the Organization evaluated all events or transactions that occurred after December 31, 2010 up through November 14, 2011, the date the Organization issued the financial statements.

The financial statement presentation follows the recommendation of ASC 958-205 – Presentation of Financial Statements for Not-for-Profit Organizations. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets- Consists of assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets- Consists of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization. The temporarily restricted assets include all revenues and contributions designated for program activities.

Permanently restricted net assets- Consists of assets whose use by the Organization is subject to donor-imposed stipulations that the funds be maintained in perpetuity and only the interest earned from the investment of such funds may be released from restrictions and used in the Organization's operations.

The Organization also follows ASC 958-605 – Accounting for Contributions Received and Contributions Made, whereby contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

See the independent auditors' report.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS

2. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

Basis of presentation (continued)

However, if a restriction is fulfilled in the same time period in which the contributions are received, the Organization reports the support as unrestricted. All contributions received during the year ended December 31, 2010 were unrestricted.

Income taxes

The Organization is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Organization an amount that is in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

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EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS

2. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

Basis of presentation (continued)

Depreciation

Fixed assets are stated at cost. Depreciation is computed using straight-line methods over the following periods:

<i>Description</i>	<i>Estimated useful life</i>
Equipment	5 years

Fundraising event

Fundraising event revenue and expenses are recognized in the period of the event. Fundraising event income received in advance of the event is recorded as deferred revenue and related costs expended prior to the event are recorded as prepaid expenses.

Concentration of credit

Financial instruments that potentially expose the Organization to concentrations of credit risk consist principally of bank deposits in excess of insurance limits. Cash balances are maintained in a financial institution which, from time to time, exceed the Federal Depository Insurance limit and subject the Organization to concentration of credit risk.

The Organization does not believe that the concentration of credit risk of bank deposits represents a material risk of loss with respect to its financial position as of December 31, 2010.

Fair value of financial instruments

The fair value of financial instruments classified as current assets or liabilities approximate their carrying value due to the short-term maturity of the instruments.

See the independent auditors' report.

EDEYO, INC.
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – LEASE AGREEMENTS

The Organization leases space in the town of Port Au Prince, Haiti which is used to provide free education, food, and educational supplies to children from kindergarten to 6th grade. The current lease is for one year commencing October 27, 2010 and expiring October 26, 2011, and requires a total annual payment of \$1,000. The previous lease expired on October 26, 2010 and required a total annual payment of \$1,000.

On October 27, 2011 the Organization entered into a new lease for a one year term for an annual cost of \$1,000. Total rent expense recorded by the Organization was \$1,000 for the year ended December 31, 2010.