

LEGACY LONG DISTANCE INTERNATIONAL INC.

Balance Sheet

December 31,

2014

ASSETS

Current Assets:

Cash	\$	32,766
Accounts receivable, net		1,354,880
Prepayment and other current assets		331,112
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Total current assets		1,718,758
Property and equipments, net		916,244
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Total assets	\$	2,635,002

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Checks issued in excess of bank balance	\$	314,905
Accounts payable		1,617,576
Line of credit		241,019
Loan-BSG		436,278
Bank loan - current		33,333
Accrued liabilities and other liabilities		3,808
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Total current liabilities		2,646,919

Long Term Liabilities:

Bank loan – non-current		136,667
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Total liabilities		2,783,586

Stockholder's Deficit:

Common stock, no par value; 10,000,000 shares authorized, 5,962,237 shares issued and 3,395,612 shares outstanding		3,912
Accumulated deficit		(152,496)
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Total stockholders' deficit		(148,584)
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Total liabilities and stockholders' deficit	\$	2,635,002

See accompanying notes to financial statements.

LEGACY LONG DISTANCE INTERNATIONAL INC.

Statement of Income and Accumulated Deficit

<i>Year Ended December 31,</i>		<i>2014</i>
Sales, net	\$	17,162,478
Cost of sales		13,156,056
Gross profit		4,006,422
Selling, general and administrative expenses		3,922,962
Income from operations		83,460
Other expense:		
Interest expense		(24,731)
Total other expense		(24,731)
Net Income		58,729
Accumulated deficit, January 1, 2014		(211,225)
Accumulated deficit, December 31, 2014	\$	(152,496)

See accompanying notes to financial statements

LEGACY LONG DISTANCE INTERNATIONAL INC.

Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2014</i>
Cash flows from operating activities:	
Net income	\$ 58,729
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	317,645
Changes in assets and liabilities:	
Accounts receivable	260,461
Checks issued in excess of bank balance	(196,681)
Accounts payable	(153,908)
Net cash provided by operating activities	286,246
Cash flows from investing activities:	
Acquisition of property and equipment	(179,593)
Net cash used in investing activities	(179,593)
Cash flows from financing activities:	
Decrease in borrowing from line of credit, net	(13,372)
Payments of loan-BSG	(32,400)
Decrease in borrowing from bank loan	(28,220)
Net cash used in financing activities	(73,992)
Net decrease in cash	32,661
Cash – beginning of period	105
Cash – end of period	\$ 32,766
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Income taxes	\$ 2,793
Interest	\$ 60,253

See accompanying notes to financial statements