

Demonstration Supply, Inc

Balance Sheet

Balances as of 1/08

ASSETS

1001	RETURNED CHECKS	35.00-
1002	PETTY CASH	3,907.80
1003	CASH	0.00
1004	CASH - XXNB	300,534.40-
1005	CASH - XXNB MONEY MARKET	0.00
1006	DEPOSITS-MATERIAL	8,700.32
1007	CASH - XXXXXXXXXX MONEY MA	0.00
1050	XXNB CREDIT CARD ACCT	25,877.02
1051	XXNB PAYROLL ACCT	10,313.41-
1052	XXXXXXXXXX BANK-CORPUS CHRI	0.00
1053	XXXXXXXXXX BANK-INVESTMENT	0.00
1054	XXX BANK	7,225.27
9992	XXNB Balancing Account	0.00
9993	IBC Bank Balancing Accoun	0.00
9994	Credit Card Balancing Acc	0.00
9995	American Bank Balancing A	0.00

TOTAL CASH

\$ 265,172.40-

1069	COMMISSIONS - RA WEB	1,740.12-
1070	REBATES RECEIVABLE	300.00
1071	ACCOUNTS RECEIVABLE	5,005,269.12
1072	ACCOUNTS RECEIVABLE-XX XX	0.00
1073	INTEREST RECEIVABLE	0.00
1074	NOTES RECEIVABLE	7,628.56
1075	NOTES RECEIVABLE-APPLIED	0.00
1076	XXXXX INCOME RECEIVABLE	189,871.40
1077	A/R - EMPLOYEE	6,889.65
1078	ACCT REC-XXXXXXX PROPERTY	0.00
1079	INSURANCE REIMBURSEMENT R	0.00
1080	Note Receivable - XXXXX X	23,582.67
1081	A/R - XXXXXXXXXX	7,500.00
1082	A/R - XXXXXXXXXX	0.00
1083	NOTES RECEIVABLE - XXXXXX	3,794.96
1084	NOTES RECEIVABLE - XXXXX	30,000.00
1085	NOTE RECEIVABLE - XXXXXXX	88,516.28
1086	NOTE RECEIVABLE - XXXXXXX	0.00
1087	NOTE RECEIVABLE - XXXXXXX	0.00
1088	NOTE RECEIVABLE - XXXXXXX	0.00
1089	NOTE RECEIVABLE - XXXXXXX	0.00
1090	RESERVE FOR BAD DEBTS	178,987.83-

TOTAL RECEIVABLES

\$ 5,182,624.69

1200	MERCHANDISE INVENTORY	3,915,083.57
1201	INVENTORY - DIRECT SHIP	17,167.93
1202	INVENTORY NONSTOCK	483,270.45
1203	INVENTORY-WAREHOUSE TRANS	6,754.88
1204	INVENTORY-VALUATION	26,521.38-
1205	ALLOWANCE FOR SLOW MOVING	406,407.66-

TOTAL INVENTORY

\$ 3,989,347.79

TOTAL CURRENT ASSETS

\$ 8,906,800.08

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1100	INVESTMENT IN EDIC	15,017.00	
1101	XXXXXX CO-OP RESERVE ACCOU	11,241.98	
1102	PREPAID INCOME TAX (ESTIM	39,586.39	
1103	PREPAID RENT	0.00	
1104	DEPOSITS	15,312.41	
1105	DEPOSITS - XXXXXXXXX	0.00	
1106	DEPOSITS-MATERIALS	1,986.06	
1107	PREPAID PROPERTY TAXES	90,395.77	
1108	PREPAID FRANCHISE TAXES	0.00	
1300	LEASEHOLD IMPROVEMENTS	299,807.19	
1301	DELIVERY EQUIPMENT	7,346.50	
1302	OFFICE EQUIPMENT	299,714.13	
1304	VEHICLES	0.37	
1305	COMPUTER EQUIPMENT	159,123.88	
1306	DEMO EQUIPMENT	46,485.67	
1400	VEHICLES-CAP LEASE	868,603.11	
1401	ACCUMULATED DEPRECIATION	535,628.76-	
1403	ACCUM DEPRECIATION-XXX XX	771,474.00-	
TOTAL FIXED ASSETS			\$ 547,517.70
1350	CASH VALUE OF LIFE INSURA	1,038,729.72	
1351	NOTES PAYABLE-CASH VAL LI	989,175.63-	
1352	WAREHOUSE EQUIPMENT	20,303.33	
1402	FEDERAL INCOME TAX RECEIV	0.00	
1500	TREASURY STOCK	0.00	
1501	STOCKS & BONDS	0.00	
1600	DEFERRED TAX ASSET	0.00	
TOTAL LONG TERM ASSETS			\$ 69,857.42
TOTAL ASSETS			\$ 9,524,175.20

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LIABILITIES

2001	ACCOUNTS PAYABLE	2,807,439.60
2002	ACCOUNTS PAYABLE - ACCRUA	0.00
2003	PROFIT SHARING PLAN PAYAB	0.00
2004	DIVIDENDS PAYABLE	0.00
2005	XXX TRAINING PAYABLE	67.68-
2006	EMPLOYEES PAYABLE	0.00
2007	EMPLOYER'S PAYABLE-401K	0.00
2008	EMPLOYEE'S PAYABLE-401K	23,147.64
2009	DUE TO/FROM OFFICERS	1,725.68-
2010	PROPERTY TAXES PAYABLE	125,474.98
2011	FEDERAL INCOME TAXES PAYA	7,541.55
2012	SALES TAXES PAYABLE	43.73-
2013	EMPLOYER'S FICA PAYABLE	13.66
2014	EMPLOYEE'S FICA PAYABLE	123.99-
2015	WITHHOLDING TAXES PAYABLE	11,001.04
2016	FUTATWC PAYABLE	412.19-
2017	EMPLOYEE LIABILITY ACCOUN	0.00
2018	CHILD SUPPORT PAYABLE	5,113.09-
2019	401K EMPLOYEE LOANS PAYAB	2,306.57
2020	EMPLOYEE INS PAYABLE	0.00
2021	DEPENDENT CARE PAYABLE	0.00
2022	STUDENT LOAN PAYABLE	0.00
2023	TRUCK PAYMENT PAYABLE	214.06-
2024	DUE TO/FROM DIVISION 1	0.00
2025	DUE TO/FROM DIVISION 2	0.00
2026	DUE TO/FROM DIVISION 3	0.00
2027	DUE TO/FROM DIVISION 4	0.00
2028	IRS PAYABLE	7,205.52
2030	AP TRADE UNMATCHED	402,932.92-
2035	UNINVOICED INVENTORY	1,311,378.00
2036	UNINVOICED XXXXX	2,802.71
2038	REBATES DUE	201,498.82-
2039	REBATES AWAITING REVIEW	0.00
2040	INCOME TAXES PAYABLE - I.	0.00
2041	DUE TO XXXXXXXXX	0.00
2042	ACCRUED INTEREST	0.00
2043	DEFERRED LIABILITY - XXXX	0.00
2044	WAGES PAYABLE	218,952.00
2045	DEFERRED INCOME-XXX(A	0.00
2046	CUSTOMER DEPOSITS	0.00
2047	ACCRUED RENT	0.00
2048	CUSTOMER A/R REFUNDS DUE	1,448.95-
2049	SALES TAX - DISCOUNT	4,059.89
2050	TAXES - STATE OF XXXXX	22,413.02
2051	TAXES - XXXXXXXXX COUNTY	604.75
2052	TAXES - XXXXXXXXX CITY	1,816.95
2053	TAXES - XXXXXX XXXXXXXX CI	2,664.74
2054	TAXES - XXXXXXXXX CITY TAX	132.56
2055	TAXES - XXXXXXXXXX CITY	1,737.95
2056	TAXES - XXXXXXXXXXXXX CITY	1,133.94
2057	TAXES - XXXXXXXXXXXXX XXX	735.35
2058	TAXES - XXXXXX XXXXXXXX XX	1,065.50
2059	TAXES - XXXXXX XXXXXXXX XX	145.41
2060	TAXES - XXX XXXXXXXX XXX	20.89
2070	ACCRUED PROFESSIONAL FEES	40,597.09
2200	OE DOWNPAYMENT	0.00
2201	OE UNINVOICED CASH SALES	0.00

Demonstration Supply, Inc**Balance Sheet****Balances as of 1/08**

2202	OE LUMP SUM BILL	0.00	
TOTAL CURRENT LIABILITY			\$ 3,980,810.20
2100	NOTES PAYABLE -XXNB	3,484,936.50	
2101	NOTES PAYABLE-XXXXXXXXXXXX	0.00	
2102	NOTES PAYABLE XXXXXXXXXXXX	0.00	
2103	NOTES PAYABLE-XXXXXXXXXXXX	0.00	
2104	NOTES PAYABLE-XXXXXXXXXXXX	0.00	
2105	NOTES PAYABLE - XXXXXXXXXXX	0.00	
2150	INTEREST PAYABLE	0.00	
2151	CAP LEASE PAYABLE	35,273.68	
2152	DEFERRED TAX LIABILITY	0.00	
TOTAL LONG TERM LIABILITY			\$ 3,520,210.18
TOTAL LIABILITIES			\$ 7,501,020.38
OWNERS EQUITY			
2400	CURRENT CAPITAL LEASE OBL	45,827.17	
2401	SHARHOLDER DISTRIB-XXXXXX	21,100.00-	
2402	SHARHOLDER DISTRIB-XXXXXX	21,100.00-	
2501	COMMON STOCK	38,000.00	
2502	RETAINED EARNINGS	1,559,633.06	
2503	PAID IN SURPLUS - XX	127,210.00	
2504	PAID IN SURPLUS - XX	43,626.06	
2505	CURRENT YEAR EARNINGS	167,558.53	
2506	PAID IN SURPLUS - XX (X)	83,500.00	
TOTAL OWNERS EQUITY			\$ 2,023,154.82
TOTAL LIABILITIES & OE			\$ 9,524,175.20