

FLORIDA MICRO, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2011
(UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

- A. The Company – The Company was originally organized in June, 2002 under the laws of the State of Florida. The company began operations in 2002. The Company sells computer hardware, software and related products to federal, state and local governments as well as educational institutions. On April 14, 2011 Florida Micro, LLC ("The Company") was merged into Florida Micro, Inc. (a Nevada corporation) at which time they acquired Global Agri-Med Technologies Inc., a medical products company and was issued 90,000,000 shares of common stock. The transaction is accounted for as a reverse acquisition and Florida Micro, Inc. is considered the accounting acquirer and the acquire is Global Agri-Med Technologies, Inc.
- B. Basis of Accounting – the Company's policy is to prepare its financial statements under the accrual method of accounting.
- C. Cash and Cash Equivalents - For purposes of preparing the statement of cash flows, unrestricted currency, demand deposits, certificates of deposits, and money market accounts are considered cash, and unrestricted investments with original maturities of three months or less are considered cash equivalents. As of June 30, 2011, cash and cash equivalents consisted of demand deposits.
- D. Accounts Receivable - Accounts receivable are shown net of allowance for doubtful accounts.
- E. Prepaid Expenses - Materials and supplies are included as a prepaid expense and stated at acquisition cost.
- F. Fixed Assets – Property and equipment is stated at cost and is being depreciated over the assets' estimated useful lives utilizing accelerated methods. Maintenance and repairs of property are charged to operations, and major improvements are capitalized.
- G. 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. INCOME TAXES

The Company has accrued income taxes on its current income based on the rules and regulations as set forth by the Internal Revenue Code.

3. LOAN RECEIVABLE

The amount due from Company's President on February 6, 2014 and bears an interest a rate of 4% per annum.

4. CONVERTIBLE NOTE PAYABLE

The Company entered into a convertible note payable ob November 3, 2010 with a related party. The note bears interest at a rate of 9% per annum and is payable on or before November 4, 2011. The note is convertible into shares of common stock at the prevailing bid price on the state of conversion.

5. BANK CREDIT LINE

The company has an operating line of credit payable to Bank Atlantic in the amount of \$1,643,819, due with interest at the bank's variable rate currently at three and one-half (4.5) percent. The line of credit is secured by the company's accounts receivables and has an authorized limit of \$1,650,000.

6. LEASES

The company leases office space in Connecticut, and Florida . The Connecticut office's monthly rental payment is \$1,600, increasing to \$1,800 on April 1, 2010. This lease commenced a three-year term as of April 1, 2009. The Florida office's monthly rental payment is \$4,526, with a three percent increase after seven months. This lease commenced a three-year term on November 1, 2010.

7. COMMON STOCK

On April 14, 2011 Florida Micro, LLC ("The Company") was merged into Florida Micro, Inc. (a Nevada corporation) at which time they acquired Global Agri-Med Technologies Inc., a medical products company and was issued 90,000,000 shares of common stock. The transaction is accounted for as a reverse acquisition and Florida Micro, Inc. is considered the accounting acquirer and the acquire is Global Agri-Med Technologies, Inc.

On April 14, 2011, the Company's stockholders approved a 1 for 100 reverse stock split for its common stock. As a result, stockholders of record received one share of common stock for every one hundred shares held. Common stock, additional paid-in capital, share and per share data for prior periods have been restated to reflect the stock split as if it had occurred at the beginning of the earliest period presented.

On May 31, 2011 the Company converted a loan in the amount of \$50,000 and accrued interest of \$2,114 into 2,368,818 shares of common stock. (\$.02 per share).

FLORIDA MICRO, INC
CONDENSED BALANCE SHEETS
(UNAUDITED)

ASSETS

June 30,
2011

CURRENT ASSETS

Cash	\$ 127,312
Accounts receivable	3,131,920
Prepaid expenses	31,606
Other current assets	250
	<u>3,291,088</u>

Property and Equipment, net	55,025
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OTHER ASSETS

Loan receivable	165,000
Deposits	15,400
	<u>180,400</u>

TOTAL OTHER ASSETS

<u>TOTAL ASSETS</u>	\$ <u>3,526,513</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 806,111
Sales tax payable	48,686
Accrued compensation	46,400
Convertible - note payable	90,000
Corporate taxes payable	146,525
Bank line of credit	1,643,819
	<u>2,781,541</u>

TOTAL LIABILITIES

COMMITMENTS AND CONTINGENCIES

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STOCKHOLDERS' EQUITY

Common stock, \$0.001 par value, 250,000,000 shares authorized, 92,728,329 shares issued and outstanding	92,728
Additional paid in capital	33,885
Retained earnings	618,359
	<u>744,972</u>

TOTAL STOCKHOLDERS' EQUITY

<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	\$ <u>3,526,513</u>
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See Accompanying Notes to the Condensed Unaudited Financial Statements

FLORIDA MICRO, INC
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30, 2011	For the Six Months Ended June 30, 2011
REVENUE		
Sales	\$ 4,105,572	\$ 11,872,669
Less costs of good sold	<u>3,226,218</u>	<u>9,909,755</u>
	879,354	1,962,914
OPERATING EXPENSES		
Selling, general and administrative	832,958	1,824,023
Depreciation	<u>3,000</u>	<u>6,000</u>
Total Operating Expenses	<u>835,958</u>	<u>1,830,023</u>
Net income from operations	43,396	132,891
Interest expense	19,620	52,410
NET INCOME BEFORE PROVISION FOR INCOME TAXES	23,776	80,481
PROVISION FOR INCOME TAXES	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 23,776</u>	<u>\$ 80,481</u>
Net Income per share - basic and diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>
 Weighted average number of shares outstanding during the period - basic and diluted	 <u>91,333,359</u>	 <u>90,843,746</u>

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FLORIDA MICRO, INC.
CONDENSED STATEMENT OF STOCKHOLDERS EQUITY
(UNAUDITED)

	Common Stock		Additional Paid-In		Retained	Total
	Shares	Amount	Capital	Earnings		
December 31, 2010						
	-	-	-	-	-	-
	-	100 \$	82,104 \$	537,878 \$	620,082	
Contributed capital Florida Micro, LLC	-	(100)	100	-	-	-
Original shareholders Global Agri-Med Technologies, Inc.	359,512	360	(360)	-	-	-
Common stock issued in reverse merger	90,000,000	90,000	(90,000)	-	-	-
Expense for reverse merger	-	-	(7,705)	-	(7,705)	
Conversion of notes payable and accrued interest	2,368,818	2,369	49,745	-	52,114	
Net Income for the six months ended June 30, 2011	-	-	-	80,481	80,481	
June 30, 2011	<u>92,728,330</u>	<u>\$ 92,728</u>	<u>\$ 33,885</u>	<u>\$ 618,359</u>	<u>\$ 744,972</u>	

See Accompanying Notes to the Financial Statements

FLORIDA MICRO, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	<u>For the Six Months Ended</u> <u>June 30, 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ 80,481
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	6,000
Changes in operating assets and liabilities:	.
Increase in accounts receivable	(256,324)
Decrease other receivables	250
Decrease in prepaid expenses	19,385
Increase in accounts payable	55,355
Increase in sales tax payable	48,686
Increase in accrued expenses	19,733
Increase in accrued income taxes	12,965
Net Cash Used In Operating Activities	<u>(13,469)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of furniture and equipment	<u>(48,582)</u>
Net Cash Used In Investing Activities	<u>(48,582)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Loan receivable	(165,000)
Increase in line of credit	242,419
Legal fees for purchase of shell	(7,705)
Conversion of note payable and accrued interest	52,114
Net Cash Used In Investing Activities	<u>121,828</u>
 NET INCREASE IN CASH	 59,777
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 67,535
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 \$ <u><u>127,312</u></u>
 Cash paid for interest	 \$ <u><u>-</u></u>
Cash paid for taxes	<u><u>\$ -</u></u>

See Accompanying Notes to Condensed Unaudited
Financial Statements