INTERNETARRAY, INC.

FINACIAL STATEMENTS
DECEMBER 31, 2013 AND 1012
(UNAUDITED)

CONTENTS

INTERNETARRAY, INC.
CONSOLIDATED BALANCE SHEETS
YEARS ENDING
DECEMBER 31, 2013 AND 2012
(UNAUDITED)

	12/31/13	12/31/12
ASSETS		
CURRENT ASSETS		
Cash	$ 2,141	$ 6,566
Accounts receivable	44,622	36,190
Other Current Assets	31,539	27,709
Total Current Assets	78,302	70,465
Fixed Asset, net of depreciation	-	-
Intangible Assets	250,234	250,234
	250,234	250,234
TOTAL ASSETS	$ 328,536	$ 320,699
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 18,553	$ 15,672
Other Current Liabiilities	2,220,990	1,984,154
TOTAL CURRENT LIABILITIES	2,239,543	1,999,826
TOTAL LONG TERM LIABILITIES		
Notes payable	3,095,450	3,095,450
TOTAL LIABILITIES	5,334,993	5,095,276
SHAREHOLDERS' EQUITY/(DEFICIT)		
Preferred Stock, $0.0001 par value 10,000,000 authorized preferred shares	-	-
Common Stock, $0.0001 par value; 19,900,000,000 authorized, 4,943,271,060, and 3,693,711,401 shares issued and outstanding at December 31, 2013 and December 31, 2012	1,478	828
Additional paid in capital	14,146,925	13,932,936
Accumulated Deficit	(19,154,859)	(18,708,340)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIT)	(5,006,456)	(4,774,576)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 328,536	$ 320,699

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Years Ended 12/31/13	For the Years Ended 12/31/12
REVENUE	$ 231,484	$ 371,045
OTHER INCOME	-	-
GROSS PROFIT	231,484	371,045
OPERATIONS	182,917	219,811
GENERAL & ADMINSTRATIVE	92,939	84,182
SALES & MARKETING	8,755	19,785
TOTAL OPERATING EXPENSES	284,612	323,778
INCOME/(LOSS) FROM OPERATIONS BEFORE OTHER EXPENSES	(53,128)	47,267
TOTAL OTHER EXPENSES		
Interest expense	236,836	208,264
NET INCOME/(LOSS)	$ (289,964)	$ (160,997)

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Years Ended 12/31/13	12/31/12
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income/(Loss)	$ (289,962)	$ (160,997)
Adjustment to reconcile net loss to net cash used in operating activities	-	
Depreciation	-	-
(Increase) Decrease in:		
Accounts Receivable	(8,432)	47,349
Other Current Assets	3,830	(6,071)
Intangible Assets	-	-
Increase (Decrease) in:		
Accounts Payable	2,881	180
Accrued expenses	236,836	277,480
NET CASH PROVIDED/(USED) IN OPERATING ACTIVITIES	(54,847)	157,941
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	-
NET CASH (USED) IN FINANCING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debenture Payable,Net	50,422	(153,921)
Proceeds from notes payable	-	-
Stock Issued for Services	-	-
NET CASH PROVIDED/(USED) IN FINANCING ACTIVITIES	50,422	(153,921)
NET INCREASE/(DECREASE) IN CASH	(4,425)	4,020
CASH, BEGINNING OF PERIOD	6,566	2,546
CASH, END OF PERIOD	$ 2,141	$ 6,566
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	$ -	$ -

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND DECEMBER 31, 2012

1. ORGANIZATION AND LINE OF BUSINESS

Organization

InternetArray, Inc., was newly organized on August 27, 2008, pursuant to a shareholder approval authorizing a name change and change of domicile at a special shareholder meeting held on September 10, 2008. The Company was originally organized as a Colorado corporation under the name Prime Rate Income & Dividend Enterprises, Inc., on May 1, 1995. The Company's name was subsequently changed on March 29, 2004 to U.S. MedSys Corp., as a result of a merger with a wholly-owned subsidiary by the same name that had been acquired previously on November 12, 2002. InternetArray, Inc., now operates as an internet-based development company. The Company's business is developing collaborative business partners providing financing, marketing exposure, management consulting, operational support and strategic advice.

Going Concern

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company does not generate significant revenue, and has negative cash flows from operations, which raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon, among other things, additional cash infusion. Management believes the existing shareholders and the prospective new investors will provide the additional cash needed to meet the Company's obligations as they become due, and will allow the development of its core of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of InternetArray, Inc. are presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Principles of Consolidation

The accompanying unaudited consolidated financial statements of the Company include the accounts of its subsidiaries. In the opinion of management all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial statements for the years herein have been made.

Accounts receivable

The Company does not have any uncollectible accounts and there were no doubtful accounts for the years ended December 31, 2013 and December 31, 2012, respectively.

Revenue Recognition

The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, the fee is determinable, collectability is reasonably assured and there are no significant remaining performance obligations.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 amounts reported in the accompanying financial statements. Significant estimates made in preparing these financial statement. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, and are depreciated using the straight line and modified accelerated cost recovery system (macrs) method over 3-10 years.

Intangible Assets

Valuation of intangible assets include significant estimates and assumptions such as estimating future cash flows from sales, developing appropriate discount rates, estimating probability rates for successful completing of projects, continuation of customer relationships and renewal of customer contracts, and approximating the useful life of the intangible assets acquired.

Fair Value of Financial Instruments

As of December 31, 2013 and December 31, 2012 respectively, the amounts reported for cash, accounts receivable, accounts payable, accrued interest and other expenses, and notes payable approximate the fair value because of their short maturities.

Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. The measurement of deferred tax assets and liabilities is based on provisions of applicable tax law. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance based on the amount of tax benefits that, based on available evidence is not expected to be realized.

Recently Issued Accounting Pronouncements

The company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or statements.

3. CAPITAL STOCK

At December 31, 2013, the Company's authorized stock consists of 19,900,000,000 shares of common stock, par value $0.0001 per share, and 10,000,000 shares of preferred stock, par value of $0.0001. At December 31, 2013 and December 31, 2012, respectively, the Company had 4,943,271,060 and 3,693,711,401 shares of common stock issued and outstanding.

During the year ended December 31, 2013, the Company issued 1,250,000,000 shares of restricted common stock to its President for services. See Note 6. "Related Party Transactions."

During the year ended December 31, 2012, the Company issued:

In February 2012, the Company issued 36,111,111 shares in exchange for $14,650 in cash.

3. CAPITAL STOCK (continued)

In May, 2012, the Company issued 1,500,00,000 shares of its common stock to the shareholders of Healthnostics, Inc., as part of a special distribution to those shareholders.

In July and August, 2012, the Company issued 1,080,000,000 shares of its common stock in exchange for total debt conversion of $138,250 and $38,000 in cash.

4. NOTES PAYABLE

On June 30, 2006, the Company's predecessor, U.S. MedSys Corp., issued a Convertible Debenture at eight (8%) per annum for $5,000,000 in cash received by U.S. MedSys Corp, between April 2, 2005 and March 31, 2006.

Interest payments were due semi-annually, beginning September 1, 2006, on which U.S. MedSys Corp., defaulted and remained in default until July 30, 2008, when an Agreement of Settlement was entered into by which the interest rate was increased from eight (8%) per cent per annum up to June 11, 2007 and twelve (12%) percent per annum thereafter. As a further term of default the Noteholder accelerated the Convertible Debenture to collect the full principal and interest of $5,000,000 in principal and $1,095,692.00 due as of July 31, 2008, (interest computed at 8% per annum up to June 11, 2007 and 12% percent per annum thereafter.

The Agreement of Settlement entered into on July 30, 2008 required the Company to make one $50,000 payment and sixty $100,000 payments and one final payment of forty-five thousand six hundred ninety two dollars ($45,692.00),

On September 1, 2008, the Company informed the Noteholder that September 1, 2008 payment would not be forthcoming. As a result and per the Agreement of Settlement, an Affidavit of Confession of Judgment in the amount of $6,095,692 was executed and filed with the New York Superior Court.

From April 2009 through November 2009, the Company issued a promissory notes, all with conversion features at eight percent (8%) per annum in exchange for $215,000.00, cash received. The conversion price is determined based upon the price of the Company's common stock as quoted by OTC Markets at the time of conversion. $120,000, plus accrued interest were of the interest of the notes were forgiven and repayment was waived in May 2012 as a result of the special distribution of InternetArray, Inc., common stock to shareholders of Healthnostics, Inc., the debtholder.

On November 6, 2009, the Company issued a promissory note with conversion features at eight percent (8%) per annum to Acquest Capital Group, Inc., in exchange for $50,000.00 cash received. The conversion price is determined based upon the par value of the Company's common stock.

In January 2011, the Company issued a promissory note to Casprey Capital Corp., in exchange for $150,000 in cash at an annual interest rate of 8%. The Company also agreed to issue to the note holder 500,000,000 shares of the Company's restricted common stock as further consideration for making the loan.

In February, 2012 the Company issued a promissory note with conversion features at eight percent (8%) per annum in exchange for $10,000.00 cash received from James Yeung. The conversion price is determined based upon the par value of the Company's common stock.

5. INCOME TAXES

The Company records its federal and state income tax liability as it is incurred.

6. RELATED PARTY TRANSACTIONS

The Company issued 1,250,000,000 shares of its common stock in August, 2013 in lieu of compensation for services as an officer and director of the Company. The cost to the Company for the issuance is amortized over a three-year period. (See Note 3 CAPITAL STOCK.)