

Highline Technical Innovations, Inc.

Balance Sheet

As of September 30, 2011

| | <u>Total</u> |
|-------------------------------------|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 10005 HTI - Bank of Fayetteville | 8,373.80 |
| 10025 HOSS - BANK OF FAYE | 899.01 |
| Total Bank Accounts | \$ 9,272.81 |
| Accounts Receivable | |
| 11000 Accounts Receivable | 968,975.31 |
| Total Accounts Receivable | \$ 968,975.31 |
| Other Current Assets | |
| 11510 Advances | 16,066.41 |
| 11520 Undeposited Funds | 583.95 |
| 11600 Prepaid Expenses | |
| 11601 Prepaid Liability Insurance | 10,461.31 |
| 11602 Product Development Costs | 23,000.00 |
| 11603 Prepaid Expenses-Advertising | 3,595.00 |
| Total 11600 Prepaid Expenses | \$ 37,056.31 |
| 12000 Inventories | |
| 12100 Inventory - HTI | 142,000.79 |
| 12110 Inventory - Hoss | -8169.91 |
| 12120 Inventory - BO-TIE | 11,611.53 |
| Total 12000 Inventories | \$ 145,442.41 |
| 13000 Other | |
| 13100 Leases | 2,145.00 |
| Total 13000 Other | \$ 2,145.00 |
| Total Other Current Assets | \$ 201,294.08 |
| Total Current Assets | \$1,179,542.20 |
| Fixed Assets | |
| 15000 Fixed Asset | |
| 15005 Contractor's Expense | 98,876.00 |
| 15015 Establishment Costs | 8,295.00 |
| 15035 Leasehold Improvements | 7,861.00 |
| 15040 Plant Equipment | 270,050.00 |
| 15050 Vehicle | 17,600.00 |
| Total 15000 Fixed Asset | \$ 402,682.00 |
| Total Fixed Assets | \$ 402,682.00 |
| Other Assets | |
| 18000 Other Asset | 27,450.00 |

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| 18060 Due from Hoss Distributing | 8,400.00 |
| 18070 Due from Purchase of SSEV | 286,390.00 |
| 18080 Due from Sale of Asset | 5,710,428.88 |
| 18090 Due from Subsidiary-HHH | <u>123,546.34</u> |
| Total 18000 Other Asset | <u>\$6,156,215.22</u> |
| Total Other Assets | <u>\$6,156,215.22</u> |
| TOTAL ASSETS | \$7,738,439.42 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 Accounts Payable | <u>580,629.23</u> |
| Total Accounts Payable | \$ 580,629.23 |
| Other Current Liabilities | |
| 23000 Other Current Liability | |
| 24000 Payroll Liabilities | |
| 24010 AR Income Tax | 8,749.44 |
| 24020 AR Unemployment Tax | 5,583.55 |
| 24040 Federal Taxes (941/944) | 36,307.18 |
| 24050 Federal Unemployment (940) | <u>762.10</u> |
| Total 24000 Payroll Liabilities | <u>\$ 51,402.27</u> |
| Total 23000 Other Current Liability | <u>\$ 51,402.27</u> |
| Total Other Current Liabilities | <u>\$ 51,402.27</u> |
| Total Current Liabilities | \$ 632,031.50 |
| Long Term Liabilities | |
| 25000 Long-Term Liability | |
| 25010 A Convertible Note | 1,685,756.58 |
| 25015 B Convertible Notes | 1,807,290.05 |
| 25020 C Convertible Note | 595,503.86 |
| 25025 D Convertible Notes | 1,150,365.34 |
| 25030 E Convertible Note | 471,513.05 |
| 25045 Loan Payable - CF | <u>25,020.00</u> |
| Total 25000 Long-Term Liability | <u>\$5,735,448.88</u> |
| Total Long Term Liabilities | <u>\$5,735,448.88</u> |
| Total Liabilities | \$6,367,480.38 |
| Equity | |
| 30000 Opening Bal Equity | 12,862.74 |
| 30100 Capital Stock | |
| 30150 Stock Purchase | <u>77,100.72</u> |
| Total 30100 Capital Stock | \$ 77,100.72 |
| 31000 Equity | |
| 31005 Capital Stock - A - MS | 20,000.00 |

| | |
|-------------------------------------|------------------------------|
| 31010 Capital Stock - B - RS | 25,000.00 |
| 31015 Capital Stock - C - SH | 25,000.00 |
| 31020 Capital Stock - D - SH | 19,985.00 |
| 31050 Additional Paid-in Capital | <u>885,644.27</u> |
| Total 31000 Equity | \$ 975,629.27 |
| 32000 Retained Earnings | 869,892.59 |
| Net Income | <u>-564526.28</u> |
| Total Equity | <u>\$1,370,959.04</u> |
| TOTAL LIABILITIES AND EQUITY | \$7,738,439.42 |