

Highline Technical Innovations, Inc.

Balance Sheet

As of June 30, 2013

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
10005 HTI - Bank of Fayetteville	1,425.49
10010 Bank of America	123.82
10025 HOSS - BANK OF FAYE	8.01
Total Bank Accounts	<u>1,557.32</u>
Accounts Receivable	
11000 Accounts Receivable	5,450.77
Total Accounts Receivable	<u>5,450.77</u>
Other current assets	
11510 Advances	55,869.19
11600 Prepaid Expenses	
11601 Prepaid Liability Insurance	16,298.59
11602 Product Development Costs	19,000.00
11604 Prepaid Interest	-117.84
11606 Prepaid Commercial Auto Ins.	51.44
Total 11600 Prepaid Expenses	<u>35,232.19</u>
12000 Inventories	
12100 Inventory - HTI	154,297.54
12101 Inventory-HTI-Dan	4,050.00
Total 12100 Inventory - HTI	<u>158,347.54</u>
Total 12000 Inventories	<u>158,347.54</u>
13000 Other	
13025 Advances Against Future Royalties	28,000.00
13026 Adv. Against Future Royalties	16,000.00
Total 13000 Other	<u>44,000.00</u>
Inventory Asset	20.00
Total Other current assets	<u>293,468.92</u>
Total Current Assets	<u>300,477.01</u>
Fixed Assets	
15000 Fixed Asset	
15020 Furniture and Equipment	17,583.07
15035 Leasehold Improvements	14,689.23
15040 Plant Equipment	270,674.80
15050 Vehicle	17,600.00
Total 15000 Fixed Asset	<u>320,547.10</u>
Total Fixed Assets	<u>320,547.10</u>
Other Assets	
18000 Other Asset	0.00
18010 Building Deposit	3,000.00
18060 Due from Hoss Distributing	8,400.00
18070 Due from Purchase of SSEV	286,390.00
18090 Due from Subsidiary-HHH	123,546.34
Total 18000 Other Asset	<u>421,336.34</u>
Total Other Assets	<u>421,336.34</u>

TOTAL ASSETS	1,042,360.45
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	737,858.50
Total Accounts Payable	<u>737,858.50</u>
Other Current Liabilities	
23000 Other Current Liability	
24000 Payroll Liabilities	
24010 AR Income Tax	157.30
24020 AR Unemployment Tax	1,375.98
24040 Federal Taxes (941/944)	162,843.02
24050 Federal Unemployment (940)	1,526.15
Total 24000 Payroll Liabilities	<u>165,902.45</u>
24200 Accrued Insurance Expense	9,135.65
24210 Accrued Property Tax	745.58
24600 Advances Toward Business Development	888,522.59
24601 Short-Term Loans	1,345,648.18
24602 DUE TO PWC/NIR	400,000.00
24603 Due to Walters	25,000.00
Total 23000 Other Current Liability	<u>2,834,954.45</u>
Total Other Current Liabilities	<u>2,834,954.45</u>
Total Current Liabilities	3,572,812.95
Long-Term Liabilities	
25000 Long-Term Liability	
25045 Loan Payable - CF	17,020.00
25500 Other Long Term Liabilities	4,500.00
Total 25000 Long-Term Liability	<u>21,520.00</u>
Total Long-Term Liabilities	<u>21,520.00</u>
Total Liabilities	3,594,332.95
Equity	
30000 Opening Bal Equity	20.00
31000 Equity	
31030 Common Stock	257,841.48
31040 Preferred Stock	83,945.58
31050 Additional Paid-in Capital	91,052.69
Total 31000 Equity	<u>432,839.75</u>
32000 Retained Earnings	-2,738,751.63
Net Income	-246,080.62
Total Equity	<u>-2,551,972.50</u>
TOTAL LIABILITIES AND EQUITY	1,042,360.45

Highline Technical Innovations, Inc.

Profit & Loss

April - June, 2013

	<u>Total</u>
Income	
47900 SALES - HTI	1,200.00
Total Income	<u>1,200.00</u>
Cost of Goods Sold	
51010 Shipping	468.02
53000 Other Direct Expenses	
53110 Miscellaneous Supplies	91.10
53120 Maintenance	518.64
53130 Utilities	562.07
53140 Rent	6,208.82
53160 Insurance Expense	4,862.95
Total 53000 Other Direct Expenses	<u>12,243.58</u>
Total Cost of Goods Sold	<u>12,711.60</u>
Gross Profit	<u>-11,511.60</u>
Expenses	
Administrative Expenses	
60400 Bank Service Charges	320.03
61700 Computer and Internet Expenses	1,099.98
61720 Credit Card Charges	126.70
63275 HLNT Stock Expenses	5,697.88
63300 Insurance Expense	76.81
63770 Licenses	28.00
64310 Maintenance	203.74
64500 Miscellaneous	50.00
64900 Office Supplies	176.02
66200 Wages	25,057.72
66300 Payroll Taxes	2,674.47
66700 Professional Fees	28,275.96
67252 Research & Development-OTR	4.10
67300 Shipping, Freight & Delivery	6.26
67500 Taxes-General	499.22
68100 Telephone Expense	2,136.32
68401 Entertainment Meals	24.46
68600 Utilities	-168.30
Total Administrative Expenses	<u>66,289.37</u>
Total Expenses	<u>66,289.37</u>
Net Operating Income	<u>-77,800.97</u>
Other Expenses	
81000 Interest Expense	78.00
Total Other Expenses	<u>78.00</u>
Net Other Income	<u>-78.00</u>
Net Income	<u>-77,878.97</u>

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Statement of Cash Flows

April - June, 2013

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-77,878.97
Adjustments to reconcile Net Income to Net Cash provided by	
11000 Accounts Receivable	-300.00
11510 Advances	-851.30
11601 Prepaid Expenses:Prepaid Liability Insurance	-11,644.40
11604 Prepaid Expenses:Prepaid Interest	-58.92
11605 Prepaid Expenses:Prepaid Workers Comp	304.17
11606 Prepaid Expenses:Prepaid Commercial Auto Ins.	51.46
20000 Accounts Payable	43,982.78
24010 Other Current Liability:Payroll Liabilities:AR Income Tax	-8,607.99
24020 Other Current Liability:Payroll Liabilities:AR	-103.32
24040 Other Current Liability:Payroll Liabilities:Federal Taxes	5,382.32
24200 Other Current Liability:Accrued Insurance Expense	8,982.16
24210 Other Current Liability:Accrued Property Tax	319.50
24601 Other Current Liability:Short-Term Loans	33,757.29
Net cash provided by operating activities	<u>-6,665.22</u>
INVESTING ACTIVITIES	
15035 Fixed Asset:Leasehold Improvements	-200.00
Net cash provided by investing activities	<u>-200.00</u>
Net cash increase for period	<u>-6,865.22</u>
Cash at beginning of period	8,422.54
Cash at end of period	<u>1,557.32</u>

Highline Technical Share Structure

(i) Period end date 3/31/2013

(ii) Number of shares authorized

Preferred - 100,000,000

(iii) Number of shares outstanding

Common - 2,678,639,171

Preferred - 50,993,078

(iv) Freely tradable shares (public float)

Common - 2,569,994,313

(v) Total number of beneficial shareholders

Common - NA

(vi) Total number of shareholders of record

Common - 382