

# Highline Technical Innovations, Inc.

## Balance Sheet

As of September 30, 2013

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
10025 HOSS - BANK OF FAYE	8.01
<b>Total Bank Accounts</b>	<u>8.01</u>
<b>Accounts Receivable</b>	
11000 Accounts Receivable	5,450.77
<b>Total Accounts Receivable</b>	<u>5,450.77</u>
<b>Other current assets</b>	
57,093,078	58,590.35
<b>11600 Prepaid Expenses</b>	
11601 Prepaid Liability Insurance	16,298.59
11602 Product Development Costs	19,000.00
11604 Prepaid Interest	-294.60
11606 Prepaid Commercial Auto Ins.	51.44
<b>Total 11600 Prepaid Expenses</b>	<u>35,055.43</u>
<b>12000 Inventories</b>	
12100 Inventory - HTI	154,297.54
12101 Inventory-HTI-Dan	4,050.00
<b>Total 12100 Inventory - HTI</b>	<u>158,347.54</u>
<b>Total 12000 Inventories</b>	<u>158,347.54</u>
<b>13000 Other</b>	
13025 Advances Against Future Royalties	28,000.00
13026 Adv. Against Future Royalties	16,000.00
<b>Total 13000 Other</b>	<u>44,000.00</u>
<b>Inventory Asset</b>	20.00
<b>Total Other current assets</b>	<u>296,013.32</u>
<b>Total Current Assets</b>	<u>301,472.10</u>
<b>Fixed Assets</b>	
<b>15000 Fixed Asset</b>	
15020 Furniture and Equipment	17,583.07
15035 Leasehold Improvements	14,689.23
15040 Plant Equipment	270,674.80
15050 Vehicle	17,600.00
<b>Total 15000 Fixed Asset</b>	<u>320,547.10</u>
<b>Total Fixed Assets</b>	<u>320,547.10</u>
<b>Other Assets</b>	
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
<b>Total 18000 Other Asset</b>	<u>421,336.34</u>
<b>Total Other Assets</b>	<u>421,336.34</u>
<b>TOTAL ASSETS</b>	<u>1,043,355.54</u>

**LIABILITIES AND EQUITY****Liabilities****Current Liabilities****Accounts Payable****20000 Accounts Payable**524,048.53 <sup>1,2</sup>**Total Accounts Payable****524,048.53****Other Current Liabilities****23000 Other Current Liability****24000 Payroll Liabilities****24010 AR Income Tax**

-828.50

**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****164,916.65****24200 Accrued Insurance Expense**

5,544.46

**24210 Accrued Property Tax**

1,065.08

**24500 Book Overdraft**

4,152.87

**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****2,834,849.83****Total Other Current Liabilities****2,834,849.83****Total Current Liabilities****3,358,898.36****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****21,520.00****Total Long-Term Liabilities****21,520.00****Total Liabilities****3,380,418.36****Equity****30000 Opening Bal Equity**

20.00

**31000 Equity****31030 Common Stock**

257,841.48

**31040 Preferred Stock**135,445.58 <sup>2</sup>**31050 Additional Paid-in Capital**

91,052.69

**Total 31000 Equity****484,339.75****32000 Retained Earnings**-2,563,111.23 <sup>1</sup>**Net Income**-258,311.34**Total Equity****-2,337,062.82****TOTAL LIABILITIES AND EQUITY****1,043,355.54**

**Highline Technical Innovations, Inc.**  
**Profit & Loss**

July - September, 2013

	<u>Total</u>
Income	
Total Income	
Cost of Goods Sold	
53000 Other Direct Expenses	
53120 Maintenance	101.50
Total 53000 Other Direct Expenses	<u>101.50</u>
Total Cost of Goods Sold	<u>101.50</u>
Gross Profit	<u>-101.50</u>
Expenses	
Administrative Expenses	
60400 Bank Service Charges	289.50
61700 Computer and Internet Expenses	882.65
61720 Credit Card Charges	46.73
63275 HLNT Stock Expenses	564.40
64310 Maintenance	43.59
66700 Professional Fees	8,397.91
66750 Postage	64.00
67500 Taxes-General	319.50
68100 Telephone Expense	383.58
68600 Utilities	28.01
Total Administrative Expenses	<u>11,019.87</u>
Total Expenses	<u>11,019.87</u>
Net Operating Income	<u>-11,121.37</u>
Other Expenses	
80000 Ask My Accountant	932.59
81000 Interest Expense	176.76
Total Other Expenses	<u>1,109.35</u>
Net Other Income	<u>-1,109.35</u>
Net Income	<u>-12,230.72</u>

**Highline Technical Innovations, Inc.**  
**Statement of Cash Flows**

July - September, 2013

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-12,230.72
Adjustments to reconcile Net Income to Net Cash provided by operations:	
11510 Advances	-2,721.16
11604 Prepaid Expenses:Prepaid Interest	176.76
20000 Accounts Payable	-213,809.97 <sup>1,2</sup>

24010 Other Current Liability:Payroll Liabilities:AR Income Tax	-985.80
24200 Other Current Liability:Accrued Insurance Expense	-3,591.19
24210 Other Current Liability:Accrued Property Tax	319.50
24500 Other Current Liability:Book Overdraft	4,152.87
<b>Net cash provided by operating activities</b>	<b>-228,689.71</b>
<b>FINANCING ACTIVITIES</b>	
31040 Equity:Preferred Stock	51,500.00 <sup>2</sup>
32000 Retained Earnings	175,640.40 <sup>1</sup>
<b>Net cash provided by financing activities</b>	<b>227,140.40</b>
<b>Net cash increase for period</b>	<b>-1,549.31</b>
<b>Cash at beginning of period</b>	<b>1,557.32</b>
<b>Cash at end of period</b>	<b>8.01</b>

### Highline Technical Share Structure

(i) Period end date 10/31/2013

(ii) Number of shares authorized

Preferred - 100,000,000

(iii) Number of shares outstanding

Common - 2,678,639,171

Preferred - 57,093,078

(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

#### Notes:

1. The Accounts Payable has been reduced by \$175,640,40 from a court ordered settlement of the Herb Southern litigation. This reduction has been posted directly to Retained Earnings since the billings were accrued in prior accounting periods.

2. The Accounts Payable has been reduced by \$51,500.00 through the conversion of short term payables to Preferred B Shares.