

# Highline Technical Innovations, Inc.

## Balance Sheet

As of December 31, 2013

	<u>Total</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Accounts	
10025 - BANK OF FAYE	8.01
Total Bank Accounts	<u>\$ 8.01</u>
Accounts Receivable	
11000 Accounts Receivable	5,450.77
Total Accounts Receivable	<u>\$ 5,450.77</u>
Other current assets	
11510 Advances	58,590.35
11600 Prepaid Expenses	
11601 Prepaid Liability Insurance	11,675.23
11602 Product Development Costs	19,000.00
11604 Prepaid Interest	-471.36
11606 Prepaid Commercial Auto Ins.	51.44
Total 11600 Prepaid Expenses	<u>\$ 30,255.31</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>\$ 291,213.20</u>
Total Current Assets	<u>\$ 296,671.98</u>
<b>Fixed Assets</b>	
15000 Fixed Asset	
15020 Furniture and Equipment	17,583.07
15035 Leasehold Improvements	14,689.23
15040 Plant Equipment	18,924.80
15050 Vehicle	17,600.00
Total 15000 Fixed Asset	<u>\$ 68,797.10</u>
Total Fixed Assets	<u>\$ 68,797.10</u>
<b>Other Assets</b>	
18000 Other Asset	0.00
18010 Building Deposit	3,000.00
Total 18000 Other Asset	<u>\$ 3,000.00</u>
Total Other Assets	<u>\$ 3,000.00</u>
<b>TOTAL ASSETS</b>	<u>\$ 368,469.08</u>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
20000 Accounts Payable	524,048.53
Total Accounts Payable	<u>\$ 524,048.53</u>
Other Current Liabilities	
23000 Other Current Liability	

<b>24000 Payroll Liabilities</b>	
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
<b>Total 24000 Payroll Liabilities</b>	<b>\$ 164,916.65</b>
24200 Accrued Insurance Expense	5,544.46
24210 Accrued Property Tax	1,384.58
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** **\$ 2,835,169.33**

**Total Other Current Liabilities** **\$ 2,835,169.33**

**Total Current Liabilities** **\$ 3,359,217.86**

**Long-Term Liabilities**

<b>25000 Long-Term Liability</b>	
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** **\$ 3,380,737.86**

**Equity**

30000 Opening Bal Equity	20.00
<b>31000 Equity</b>	
31030 Common Stock	257,841.48
31040 Preferred Stock	135,445.58
31050 Additional Paid-in Capital	91,052.69
<b>Total 31000 Equity</b>	<b>\$ 484,339.75</b>
32000 Retained Earnings	-2,563,111.23
Net Income	-933,517.30

**Total Equity** **-\$ 3,012,268.78**

**TOTAL LIABILITIES AND EQUITY** **\$ 368,469.08**

**Highline Technical Innovations, Inc.**

**Profit and Loss**

January - December 2013

	<u>Total</u>
<b>Income</b>	
47900 SALES - HTI	2,700.00
<b>Total Income</b>	<b>\$ 2,700.00</b>
<b>Cost of Goods Sold</b>	
51000 Direct Materials	1,739.86
51010 Shipping	693.77
<b>53000 Other Direct Expenses</b>	
53105 Operations - COGS	49.62
53110 Miscellaneous Supplies	501.93
53120 Maintenance	877.89

**Highline Technical Innovations, Inc.**

**Profit and Loss**

October - December, 2013

	<u>Total</u>
<b>Income</b>	
<b>Total Income</b>	
<b>Cost of Goods Sold</b>	
<b>53000 Other Direct Expenses</b>	

53130 Utilities	669.72
53140 Rent	9,328.45
53160 Insurance Expense	13,888.28
<b>Total 53000 Other Direct Expenses</b>	<b>\$ 25,315.89</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 27,749.52</b>
<b>Gross Profit</b>	<b>-\$ 25,049.52</b>
<b>Expenses</b>	
<b>Administrative Expenses</b>	
60400 Bank Service Charges	643.53
61700 Computer and Internet Expenses	2,513.90
61720 Credit Card Charges	418.41
63275 HLNT Stock Expenses	10,633.61
63300 Insurance Expense	76.81
63770 Licenses	40.50
64310 Maintenance	2,519.02
64500 Miscellaneous	35,270.68
64900 Office Supplies	595.94
66200 Wages	79,403.89
66300 Payroll Taxes	8,813.80
66700 Professional Fees	82,564.92
66750 Postage	248.27
67100 Rent Expense	1,800.00
67252 Research & Development-OTR	501.50
67300 Shipping, Freight & Delivery	87.75
67500 Taxes-General	1,614.30
68100 Telephone Expense	4,911.32
68400 Travel Expense	811.58
68401 Entertainment Meals	269.79
68600 Utilities	1,919.39
<b>Total Administrative Expenses</b>	<b>\$ 235,658.91</b>
<b>Selling Expense</b>	
60250 Sales-Travel	691.96
<b>Total Selling Expense</b>	<b>\$ 691.96</b>
<b>Total Expenses</b>	<b>\$ 236,350.87</b>
<b>Net Operating Income</b>	<b>-\$ 261,400.39</b>
<b>Other Expenses</b>	
80000 Ask My Accountant	932.59
80100 Loss on Abandoned Assets	251,750.00
80200 Loss on Worthless Securities	418,336.34
81000 Interest Expense	1,097.98
<b>Total Other Expenses</b>	<b>\$ 672,116.91</b>
<b>Net Other Income</b>	<b>-\$ 672,116.91</b>
<b>Net Income</b>	<b>-\$ 933,517.30</b>

53160 Insurance Expense	4,623.36
<b>Total 53000 Other Direct Expenses</b>	<b>\$ 4,623.36</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 4,623.36</b>
<b>Gross Profit</b>	<b>-\$ 4,623.36</b>
<b>Expenses</b>	
<b>Administrative Expenses</b>	
67500 Taxes-General	319.50
<b>Total Administrative Expenses</b>	<b>\$ 319.50</b>
<b>Total Expenses</b>	<b>\$ 319.50</b>
<b>Net Operating Income</b>	<b>-\$ 4,942.86</b>
<b>Other Expenses</b>	
80100 Loss on Abandoned Assets	251,750.00
80200 Loss on Worthless Securities	418,336.34
81000 Interest Expense	176.76
<b>Total Other Expenses</b>	<b>\$ 670,263.10</b>
<b>Net Other Income</b>	<b>-\$ 670,263.10</b>
<b>Net Income</b>	<b>-\$ 675,205.96</b>

**Highline Technical Innovations, Inc.**  
**Statement of Cash Flows**  
January - December 2013

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-933,517.30
Adjustments to reconcile Net Income to Net Cash provided by operations:	
11000 Accounts Receivable	-300.00
11510 Advances	-6,172.46
11601 Prepaid Expenses:Prepaid Liability Insurance	-5,946.06

**Highline Technical Innovations, Inc.**  
**Statement of Cash Flows**  
October - December, 2013

	<u>Total</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-675,205.96
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Insurance	4,623.36

11604 Prepaid Expenses:Prepaid Interest	471.36	11604 Prepaid Expenses:Prepaid Interest	176.76
11605 Prepaid Expenses:Prepaid Workers Comp	1,216.68		
11606 Prepaid Expenses:Prepaid Commercial Auto Ins.	205.84		
12100 Inventories:Inventory - HTI	-589.29		
Inventory Asset	-20.00		
20000 Accounts Payable	-146,207.91		
Income Tax	-6,802.63		
24020 Other Current Liability:Payroll Liabilities:AR			
Unemployment Tax	1,710.53		
24040 Other Current Liability:Payroll Liabilities:Federal			
Taxes (941/944)	16,933.81		
24050 Other Current Liability:Payroll Liabilities:Federal			
Unemployment (940)	168.00		
Expense	3,961.87		
24210 Other Current Liability:Accrued Property Tax	1,384.58	Tax	319.50
24500 Other Current Liability:Book Overdraft	4,152.87		
24600 Other Current Liability:Advances Toward			
Business Development	11,664.23		
24601 Other Current Liability:Short-Term Loans	840,697.92		
24602 Other Current Liability:DUE TO PWC/NIR	-700,000.00		
24603 Other Current Liability:Due to Walters	25,000.00		
Net cash provided by operating activities	<u><b>-\$ 891,987.96</b></u>	Net cash provided by operating activities	<u><b>-\$ 670,086.34</b></u>
<b>INVESTING ACTIVITIES</b>		<b>INVESTING ACTIVITIES</b>	
15035 Fixed Asset:Leasehold Improvements	-5,516.77		
15040 Fixed Asset:Plant Equipment	251,125.20	15040 Fixed Asset:Plant Equipment	251,750.00
18010 Other Asset:Building Deposit	-3,000.00		
18060 Other Asset:Due from Hoss Distributing	8,400.00	18060 Other Asset:Due from Hoss Distributing	8,400.00
18070 Other Asset:Due from Purchase of SSEV	286,390.00	18070 Other Asset:Due from Purchase of SSEV	286,390.00
18090 Other Asset:Due from Subsidiary-HHH	123,546.34	18090 Other Asset:Due from Subsidiary-HHH	123,546.34
Net cash provided by investing activities	<u><b>\$ 660,944.77</b></u>	Net cash provided by investing activities	<u><b>\$ 670,086.34</b></u>
<b>FINANCING ACTIVITIES</b>			
30000 Opening Bal Equity	20.00		
31040 Equity:Preferred Stock	51,500.00		
32000 Retained Earnings	175,640.40		
Net cash provided by financing activities	<u><b>\$ 227,160.40</b></u>		
Net cash increase for period	<u><b>-\$ 3,882.79</b></u>	Net cash increase for period	<u><b>\$ 0.00</b></u>
Cash at beginning of period	3,890.80	Cash at beginning of period	8.01
Cash at end of period	<u><b>\$ 8.01</b></u>	Cash at end of period	<u><b>\$ 8.01</b></u>

#### Highline Technical Share Structure

(i) Period end date; 12/31/2013

(ii) Number of shares authorized;

Common - 3,700,000,000

Preferred - 100,000,000

(iii) Number of shares outstanding;

Common -2,678,639,171

Preferred - 58,593,078

(iv) Freely tradable shares (public float);

Common - 2,573,262,287

(v) Total number of beneficial shareholders;

Common - 382