# Vydrotech, Inc.
## BALANCE SHEET
As of March 31, 2016

| | TOTAL |
|---|---|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| Amegy Bank - New Operating Acct | 186.29 |
| Total Bank Accounts | $186.29 |
| Other current assets | |
| Employee Advances | 540.70 |
| Finished Goods | 34,266.40 |
| Inventory-Stock Parts & Comp | 109,227.42 |
| Prepaid Expenses | 8,000.00 |
| Prepaid Insurance | -0.02 |
| Security Deposits | 9,492.75 |
| Total Other current assets | $161,527.25 |
| Total Current Assets | $161,713.54 |
| Fixed Assets | |
| Accumulated Depreciation | -565,167.61 |
| Computer Equip | 4,493.30 |
| Furniture and Fixtures | 8,086.43 |
| Leasehold Improvements | 34,950.00 |
| Machinery & Equipment | 276,338.20 |
| Prototype | 740,333.06 |
| Reorganization & Restructuring | 6,799.48 |
| Total Fixed Assets | $505,832.86 |
| Other Assets | |
| Intellectual Property/Designs | 304,227.18 |
| Total Other Assets | $304,227.18 |
| TOTAL ASSETS | $971,773.58 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | 6,587.84 |
| Total Accounts Payable | $6,587.84 |
| Other Current Liabilities | |
| Accrued Interest Payable | 18,700.86 |
| Convertible Note | 538,412.00 |
| Loans | 9,425.00 |
| Notes Payable-Short Term | 39,432.96 |
| Other Accrued Liabilities | 33,323.55 |
| Sales Tax Payable | 618.75 |
| Total Other Current Liabilities | $639,913.12 |

| | |
|---|---|
| Total Current Liabilities | $646,500.96 |
| Long-Term Liabilities | |
| Promissory Notes Payable | 1,699,755.40 |
| Total Long-Term Liabilities | $1,699,755.40 |
| Total Liabilities | $2,346,256.36 |
| Equity | |
| Accumulated Adjustment | 60,585.34 |
| Common Stock | 10,217.06 |
| Paid In Capital-Excess of Par | 694,782.94 |
| Paid In Capital-Treasury Stock | 1,000,757.27 |
| Retained Earnings | -3,011,231.37 |
| Shareholder Equity | -650,000.00 |
| Stock Subscriptions | 522,858.00 |
| Net Income | -2,452.02 |
| Total Equity | $ -1,374,482.78 |
| TOTAL LIABILITIES AND EQUITY | $971,773.58 |

# Vydrotech, Inc.
## PROFIT AND LOSS
### January - March, 2016

| | TOTAL |
|---|---|
| Income | |
| Total Income | |
| Gross Profit | $0.00 |
| Expenses | |
| Bank Fees | 76.00 |
| Office Expense | 127.77 |
| Professional & Legal Fees | 1,848.25 |
| Taxes | 400.00 |
| Total Expenses | $2,452.02 |
| Net Operating Income | $ -2,452.02 |
| Net Income | $ -2,452.02 |

# Vydrotech, Inc.
## STATEMENT OF CASH FLOWS
January - March, 2016

| | TOTAL |
|---|---|
| OPERATING ACTIVITIES | |
| Net Income | -2,452.02 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | |
| Loans:Loans from KPN | 2,575.00 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | **2,575.00** |
| Net cash provided by operating activities | **$122.98** |
| Net cash increase for period | **$122.98** |
| Cash at beginning of period | 63.31 |
| Cash at end of period | **$186.29** |