

CLEAN ENERGY PATHWAYS, INC.

Consolidated Financial Statements

As of and for the Nine Months Ending September 30, 2014 and September 30, 2013

CLEAN ENERGY PATHWAYS, INC.

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# CLEAN ENERGY PATHWAYS, INC.

## Consolidated Balance Sheet

For the Nine Months Ending:	September 30, 2014	September 30, 2013
<b>Assets:</b>		
Current Assets:		
Cash	\$ 4,015	\$ (5)
Accounts Receivable (Shareholder)	7,765	7,765
Inventory	<u>23,400</u>	<u>23,400</u>
Total Current Assets	\$ <u>31,180</u>	\$ <u>31,160</u>
Furniture, Fixtures, and Equipment (net)	2,561	3,640
Total Assets	\$ <u>37,741</u>	\$ <u>34,800</u>
<b>Liabilities and Stockholder's Equity (Deficit)</b>		
Current Liabilities		
Trade Accounts Payable	\$ 97,497	\$ 97,497
Note Payable	15,000	15,000
Deferred Revenue	3,530,191	3,530,191
Other Accrued Expenses	<u>348,463</u>	<u>348,463</u>
Total Liabilities	\$ <u>3,991,151</u>	\$ <u>3,991,151</u>
Stockholder's Equity (Deficit)		
<b>Common Stock</b> , \$.001 par value, 190,000,000 shares authorized, 146,509,162 and 142,509,162 issued and outstanding at September 30, 2014 and September 30, 2013, respectively	\$ 146,509	\$ 146,509
<b>Convertible preferred stock</b> , \$.001 par value, 10,000,000 shares authorized, 1,520,000 and 1,520,000 issued and outstanding at September 30, 2014 and September 30, 2013 respectively	1,520	1,520
<b>Treasury Stock</b> , at cost; 620,000 shares at September 30, 2014 and September 30, 2013 respectively	(196,599)	(196,599)
Additional Paid-In Capital	13,442,577	13,442,577
Retained Earnings (Deficit)	<u>(17,347,417)</u>	<u>(17,350,358)</u>
Total Stockholder's Equity (Deficit)	\$ (3,953,410)	\$ <u>(3,956,351)</u>
Total Liabilities and Stockholder's Equity (Deficit)	\$ <u>37,741</u>	\$ <u>34,800</u>

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CLEAN ENERGY PATHWAYS, INC.

Consolidated Statement of Operations

For the nine months ended	September 30, 2014	September 30, 2013
Revenue	\$ 4,015	\$ 15,640
Cost of Goods Sold	<u>0</u>	<u>7,800</u>
Gross Margin	\$ <u>4,015</u>	\$ <u>7,840</u>
Operating Expenses	\$ <u>996</u>	\$ <u>408</u>
<b>Net Income (Loss) Before Taxes</b>	\$ <u>3,019</u>	\$ <u>7,432</u>
Provision for Income Taxes	0	0
<b>Net Income (Loss)</b>	\$ <u>3,019</u>	\$ <u>7,432</u>
<b>Net income (loss) per share:</b>		
Basic	\$ 0.00	\$ (0.00)
Diluted	\$ 0.00	\$ (0.00)
Weighted average shares outstanding: basic	148,029,162	148,029,162
Weighted average shares outstanding: diluted	148,029,162	148,029,162

CLEAN ENERGY PATHWAYS, INC.

Consolidated Statement of Stockholder's Equity (Deficit)  
For the Nine Months Ending September 30, 2014

	Common Number Of Shares	Stock \$0.001 Par Value	Preferred Number Of Shares	Stock \$0.001 Par Value	Treasury Number Of Shares	Stock Cost	Additional Paid-In Capital	Accumulated (Deficit)	Total Stockholders Equity(Deficit)
Balance December 31, 2013	146,509,162	\$ 146,509	1,520,000	\$ 1,520	620,000	\$ (196,699)	\$ 13,442,577	\$ (17,350,436)	\$ (3,956,429)
Stock Issued for Services									
Conversion from Preferred to Common									
<u>Net Income</u>								<u>3,019</u>	<u>3,019</u>
Balance September 30, 2014	146,509,162	\$ 146,509	1,520,000	\$ 1,520	620,000	\$ (196,699)	\$ 13,442,577	\$ (17,347,417)	\$ (3,953,410)

# CLEAN ENERGY PATHWAYS, INC.

## Consolidated Statement of Cash Flows

For the nine Months Ended	September 30, 2014	September 30, 2013
<b>Operating Activities</b>		
Net Income (Loss)	\$ <u>3,019</u>	\$ <u>7,517</u>
Adjustments to reconcile net loss to cash provided by operating activities:		
Bad Debts	0	0
Depreciation	996	166
Common Stock Issued for Services	0	0
Loss on Disposal of Assets	0	0
(Increase) Decrease in:		
Accounts Receivable	0	(7,765)
Prepaid Expenses	0	0
Prepaid Income Taxes	0	0
Inventory	0	-
(Increase) Decrease in:		
Accounts Payable	0	0
Other Accrued Expenses	<u>0</u>	<u>0</u>
<b>Cash Flow from Operating Activities</b>	\$ <u>4,015</u>	\$ <u>(82)</u>
<b>Financing Activities</b>		
Proceeds from Short-Term Debt	\$ <u>0</u>	\$ <u>0</u>
<b>Cash Provided by Financing Activities</b>	\$ <u>0</u>	\$ <u>0</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ <u>4,015</u>	\$ <u>(82)</u>
<b>Cash and Cash Equivalents-Beginning of Period</b>	\$ <u>0</u>	\$ <u>79</u>
<b>Cash and Cash Equivalents-End of Period</b>	\$ <u>4,015</u>	\$ <u>(3)</u>