

Highline Technical Innovations, Inc.

2011 Year End Balance Sheet

As of December 31, 2011

	Jan - Dec 2010	Jan - Dec 2011
ASSETS		
Current Assets		
Bank Accounts		
10005 HTI - Bank of Fayetteville	12,287	286
10025 HOSS - BANK OF FAYE	6,000	9
10040 HHHI Checking	653	386
10050 Petty Cash	283	0
Total Bank Accounts	19,224	681
Accounts Receivable		
11000 Accounts Receivable	15,972	49,004
Total Accounts Receivable	15,972 ¹	49,004 ¹
Other Current Assets		
11510 Advances	400	16,314
11520 Undeposited Funds	1,599	1,379
11600 Prepaid Expenses		0
11601 Prepaid Liability Insurance		5,019
Total 11600 Prepaid Expenses	0	5,019
12000 Inventories		0
12100 Inventory - HTI	103,698	25,004
Total 12000 Inventories	103,698	25,004
Total Other Current Assets	105,697	47,717
Total Current Assets	140,892	97,402
Fixed Assets		
15000 Fixed Asset		
15005 Contractor's Expense	98,876 ²	0
15015 Establishment Costs	8,295 ³	0
15035 Leasehold Improvements	7,861	7,861
15040 Plant Equipment	270,050	270,050
15050 Vehicle	12,000	17,600
Total 15000 Fixed Asset	397,082	295,511
Total Fixed Assets	397,082	295,511
Other Assets		
18000 Other Asset	50,000 ³	0
18060 Due from Hoss Distributing	8,400	8,400
18070 Due from Purchase of SSEV	286,390	286,390
18080 Due from Sale of Asset	5,710,429 ⁴	5,710,429 ⁴
18090 Due from Subsidiary-HHH	16,446	123,546
Total 18000 Other Asset	6,071,665	6,128,765
Total Other Assets	6,071,665	6,128,765
TOTAL ASSETS	6,609,639	6,521,678
LIABILITIES AND EQUITY		

Liabilities**Current Liabilities****Accounts Payable****20000 Accounts Payable**

89,864

711,749

Total Accounts Payable**89,864****711,749****Other Current Liabilities****23000 Other Current Liability****24000 Payroll Liabilities****24010 AR Income Tax**

11,174

24040 Federal Taxes (941/944)

55,292

24050 Federal Unemployment (940)

807

Total 24000 Payroll Liabilities**0****67,273****24500 Book Overdraft**

17,630

Total 23000 Other Current Liability**0****84,903****Total Other Current Liabilities****0****84,903****Total Current Liabilities****89,864****796,652****Long Term Liabilities****25000 Long-Term Liability****25010 A Convertible Note**1,685,757 ⁴1,685,757 ⁴**25015 B Convertible Notes**1,807,290 ⁴1,807,290 ⁴**25020 C Convertible Note**595,504 ⁴595,504 ⁴**25025 D Convertible Notes**1,150,365 ⁴1,150,365 ⁴**25030 E Convertible Note**471,513 ⁴471,513 ⁴**25040 G - Conv Note - SHELTER ISLAND**

100,000

0

25045 Loan Payable - CF

32,720

22,020

25500 Other Long Term Liabilities

4,500

4,500

Total 25000 Long-Term Liability**5,847,649****5,736,949****Total Long Term Liabilities****5,847,649****5,736,949****Total Liabilities****5,937,512****6,533,601****Equity****31000 Equity****31030 Common Stock**⁵

224,241

31040 Preferred Stock⁵

83,946

31050 Additional Paid-in Capital

676,391

1,034,653

Total 31000 Equity**676,391****1,342,840****32000 Retained Earnings**

39,004

-4,264

Net Income

-43,268

-1,350,498

Total Equity**672,126****-11,923****TOTAL LIABILITIES AND EQUITY****6,609,639****6,521,678**

Notes: HLNT has been taking steps to prepare for complete disclosure and necessary auditing of financials. These steps have included correcting erroneous entries and elimination of those assets that cannot be substantiated. Future corrections may cause the reinstatement of any assets that can later be substantiated once historical documents become available.

Harold Zeller, Chief Financial Officer

1. In the 3rd Quarter of 2010, sales were overreported due to the incorrect entries of certain purchases as sales, based on a misinterpretation of generally accepted accounting principles. These sales were recorded for SFC Buy Direct, which later went out of business, defaulting on the purchase orders they had submitted. The Accounts Receivable and prior year Sales Revenues has been corrected to reflect this adjustment.
2. An asset relating to lease hold construction improvements, made in 2009 to a property in Dumas, Texas (by prior management) has been charged off as having no value as the lease hold purchase of the property was never completed, and the value enured to the actual owner.
3. Upon review, a determination has been made that these assets have no value and have been subsequently charged off.
4. Line items "Due from Sale of Asset" for \$5,710, 428.88 and Notes A through E under the Liability "Long Term Liability" are the result of an "Asset Purchase Agreement" made in December 2008 from Dealers Advance. The notes, and the corresponding asset, are currently under litigation in the state of New York.
5. The Equity balances for 2010 stock class were not found to be accurate and have rolled into additional paid in capital. If accurate data can be found at a later date, the records will be updated.

Highline Technical Share Structure

- (i) Period end date; 12/31/2011
- (ii) Number of shares authorized;
 - Common - 2,500,000,000
 - Preferred - 100,000,000
- (iii) Number of shares outstanding;
 - Common - 2,242,414,832
 - Preferred - 83,945,578
- (iv) Freely tradable shares (public float);
 - Common - 2,212,994,174
- (v) Total number of beneficial shareholders;
 - Unavailable
- (vi) Total number of shareholders of record.
 - Common - 362