



Advanced Lighting Solutions, Inc.
Financial Statements For Year End & Notes
(Unaudited) 2009-2010

Advanced Lighting Solutions Inc
(unaudited) Balance Sheet
For the year ended December 31, 2010

ASSETS

Assets

Cash & Cash Equivalents	\$	7,100
Product Development Costs		-
Property, Plant, & Equipment		-
Furniture & Fixtures		-
Intangible Assets		-
Accounts Receivable		-
Other Assets		-
		<hr/>
Total Assets	\$	<u><u>7,100</u></u>

LIABILITIES & STOCKHOLDERS' DEFICIT

Liabilities

Accounts Payable	\$	2,250
Accrued Salary Expense		31,007
Notes Payable		175,000
Other Current Liabilities		41,227
		<hr/>
Total Liabilities		<u>249,484</u>

Stockholders' Deficit

Common Stock, \$.0001 par value;		
Authorized 250,000,000 shares; issued and		
Outstanding: 170,387,000 shares		17,039
Additional paid in capital		146,215
Accumulated deficit during the development stage		(388,599)
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Total Stockholders' Deficit		<u>(225,345)</u>
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Total Liabilities & Stockholders' Deficit	\$	<u><u>24,139</u></u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Operations
For the year ended December 31, 2010

Revenues	\$	8,510
Expenses		
Payroll		18,000
Rent Expense		8,500
Office Supplies		510
Depreciation Expense		-
Phone & Internet		1,280
Organizational Expenses		1,200
Professional Fees		8,000
Travel & Entertainment		500
Consulting Fees		25,000
Bad Debt Expense		-
Permits & Licenses		1,800
Bank Service Fees		196
Interest Expense		
Total Expenses		<u>64,986</u>
Loss from Continuing Operations		(56,476)
Discontinued operations		<u>-</u>
Net Loss	\$	<u>(56,476)</u>
Loss per share -basic and diluted		<u>Less than (0.003)</u>
Weighted Average Shares Outstanding		<u><u>170,387,000</u></u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Stockholders' Deficit
For the year ended December 31, 2010

	Shares Issued	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
Balance December 31, 2010	170,387,000	17,039	146,215	(388,599)	(225,345)
Net loss for the year ended December 31, 2010				(56,476)	(56,476)
	<u>170,387,000</u>	<u>17,039</u>	<u>146,215</u>	<u>(445,075)</u>	<u>(281,821)</u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Cash Flows
For the year ended December 31, 2010

YE 10

CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Net (Loss) (56,476)

Adjustments to reconcile net income (loss) to net cash provided
by operating activities:

Increase in accounts payable	1,050
(Decrease) in accrued liabilities	3,242
Increase in due to related parties	<u>4,292</u>

NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES (47,892)

CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES

Proceeds from notes payable	21,000
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NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES 21,000

NET INCREASE (DECREASE) IN CASH RESOURCES 5,700

BEGINNING CASH BALANCE 1,400

ENDING CASH BALANCE 7,100

Advanced Lighting Solutions Inc
(unaudited) Balance Sheet
For the year ended December 31, 2009

ASSETS

Assets

Cash & Cash Equivalents	\$	430
Product Development Costs		-
Property, Plant, & Equipment		-
Furniture & Fixtures		-
Intangible Assets		-
Accounts Receivable		-
Other Assets		-
		-
 Total Assets	 \$	 <u><u>430</u></u>

LIABILITIES & STOCKHOLDERS' DEFICIT

Liabilities

Accounts Payable	\$	75,119
Accrued Salary Expense		20,104
Notes Payable		177,300
Other Current Liabilities		59,942
		59,942
 Total Liabilities		 <u>332,465</u>

Stockholders' Deficit

Common Stock, \$.0001 par value;		
Authorized 100,000,000 shares; issued and		
Outstanding: 3,069,648 shares		307
Additional paid in capital		146,215
Accumulated deficit during the development stage		(478,250)
 Total Stockholders' Deficit		 <u>(331,728)</u>
 Total Liabilities & Stockholders' Deficit	 \$	 <u><u>737</u></u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Operations
For the year ended December 31, 2009

Revenues	\$	-
Expenses		
Payroll		-
Rent Expense		-
Office Supplies		-
Depreciation Expense		-
Phone & Internet		-
Organizational Expenses		18,984
Professional Fees		107,505
Travel & Entertainment		-
Consulting Fees		-
Bad Debt Expense		-
Permits & Licenses		-
Bank Service Fees		-
Interest Expense		-
Total Expenses		<u>126,489</u>
Loss from Continuing Operations		(126,489)
Discontinued operations		<u>9,642</u>
Net Loss	\$	<u>(116,847)</u>
Loss per share -basic and diluted		<u>Less than (0.04)</u>
Weighted Average Shares Outstanding		<u><u>3,069,648</u></u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Stockholders' Deficit
For the year ended December 31, 2009

	<u>Shares Issued</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Deficit</u>
Balance December 31, 2009	3,069,648	307	146,215	(342,426)	(195,904)
Net loss for the year ended December 31, 2009				(136,131)	(136,131)
	<u>3,069,648</u>	<u>307</u>	<u>146,215</u>	<u>(478,557)</u>	<u>(332,035)</u>

Advanced Lighting Solutions Inc
(unaudited) Statement of Cash Flows
For the year ended December 31, 2009

YE 09

CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES

Net (Loss) (136,131)

Adjustments to reconcile net income (loss) to net cash provided
by operating activities:

Increase in accounts payable	7,133
(Decrease) in accrued liabilities	9,814
Increase in due to related parties	4,469

NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES (114,715)

CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES

Proceeds from notes payable 136,300

NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES 136,300

NET INCREASE (DECREASE) IN CASH RESOURCES 169

BEGINNING CASH BALANCE 261

ENDING CASH BALANCE 430

Advanced Lighting Solutions, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR(s) ENDING December 31, 2009 – 2010
(Unaudited)

NOTE 1. GENERAL ORGANIZATION AND BUSINESS ISSUES

On May 15, 2007 the company entered into an agreement with Pacific Park Investments through its relationship with County Real Estate of Houston Texas to acquire some eleven properties for approximately Nine Hundred & Fifty Thousand Dollars, Subsequently post acquisition the company became void of its operating board of directors and officers.

On May 15, 2008 The sole company director was presented with a “default of note” and was given option to convert.

In April 2009 the company was presented with a notice of conversion and was asked to obtain until a new board of directors and officers could be placed by the shareholders of the corporation

On April 19, 2010 the company shareholders elect a new CEO, CFO

On April 26 2010 the company was presented with an opinion letter calling the debt “Note” due from May 15th 2008, the company saw fit to convert the debt into equity on April 29th 2010. That action relieved the company of its \$950,000 obligation to Pacific Park Investments, llc on the same date.

On May 06, 2010 the company announced; the company had completed its acquisition of a select group of properties from Pacific Park Investments, LLC, the properties are located in and around the Houston metroplex. The total property package increased the asset value of Advanced Lighting Solutions approximately 3.9 million dollars.

On July, 01 2010 the company company becomes fully transparent with the OTC Markets

On July, 01, 2010 the company filed its Annual and Quarterly report to the OTC Markets

On June 07, 2010 the company appoints James Morgan as Admin. Officer

On July 15, 2010 the company debuts its new website located at www.advancedlighting.biz

On Aug 10, 2010 Advanced Lighting Solutions Summarizes Future Business Plans

On Aug 13, 2010 Advanced Lighting Solutions, Inc. Moves To Become Blue Sky Compliant

On Aug 13, 2010 Advanced Lighting Solutions, Inc. Announces Additional Bulk REO Offers Made to the Company

On September 04, 2010 the company filed its Quarterly Report to the OTC Markets

On September, 21 2010 the company entered into an agreement with to acquire the Lena May Facility from (ESI) Embry Solutions, Inc.

On Sept 22, 2010 Advanced Lighting Solutions announces that it signs LOI on revenue producing property

On Sept 27, 2010 Advanced Lighting Chooses ESI As Temporary Operator For The May Saltwater Disposal Facility

On Oct 18, 2010 Advanced Lighting Solutions completes Definitive Agreement on The Lena May Saltwater Disposal Facility.

On November 05, 2010 the company filed its Quarterly Report with the OTC Markets

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Accounting policies and procedures are listed below. The company has adopted a December 31 year end.

Accounting Basis

We have prepared the consolidated financial statements according to generally accepted accounting Principles (GAAP).

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of December 31 2009 and 2010, the company had no cash or cash equivalent balances in excess of the federally insured amounts. The Company's policy is to invest excess funds in only well capitalized financial institutions.

Earnings per Share

The Company adopted the provisions of SFAS No. 128, "Earnings per Share." SFAS No. 128 requires the presentation of basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution that could occur if options or other contracts to issue common stock were exercised or converted.

The Company has not issued any options or warrants or similar securities since inception.

Stock Based Compensation

As permitted by Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock- Based Compensation--Transition and Disclosure", which amended SFAS 123 ("SFAS 123"), "Accounting for Stock- Based Compensation", the Company has elected to continue to follow the intrinsic value method in accounting for its stock-based employee compensation arrangements as defined by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees", and related Interpretations including "Financial Accounting Standards Board Interpretations No. 44, Accounting for Certain Transactions Involving Stock Compensation", and interpretation of APB No. 25.

At December 31, 2010 the Company has not formed a Stock Option Plan and has not issued any options.

Dividends

The Company has adopted a policy regarding the payment of dividends. Dividends may be paid to shareholders once all divisions are fully operational and profitable. The Board may also pay dividends to counter any short selling or undermining of the entity. See Note 1.

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Advertising

Advertising is expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4. RECENTLY ISSUED ACCOUNTING STANDARDS

Management does not believe that any recently issued but not yet adopted accounting standards will have a material effect on the Company's results of operations or on the reported amounts of its assets and liabilities upon adoption.