

10:53 AM

02/17/11

Accrual Basis

Alternative Fuel Technologies, Inc.

Balance Sheet

As of December 31, 2010

	Dec 31, 10
ASSETS	
Current Assets	
Checking/Savings	
1120 · Cash in Bank - Checking	28,954.67
1125 · Cash in Bank - Savings	100.01
Total Checking/Savings	29,054.68
Accounts Receivable	
1200 · Accounts Receivable	23,317.61
Total Accounts Receivable	23,317.61
Other Current Assets	
1300 · Inventory	14,500.00
1310 · Work In Progress	18,194.14
Total Other Current Assets	32,694.14
Total Current Assets	85,066.43
Fixed Assets	
1520 · Furniture & Fixtures	3,333.40
1530 · Computer Equipment	3,131.30
1540 · Laboratory Equipment	12,279.48
1545 · Shop Equipment	159,676.28
1550 · Software	17,995.00
1580 · Leasehold Improvements	30,047.28
1620 · Accum Depreciation	-204,706.52
Total Fixed Assets	21,756.22
Other Assets	
1800 · Licenses	960,000.00
Total Other Assets	960,000.00
TOTAL ASSETS	1,066,822.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	6,973.21
Total Accounts Payable	6,973.21
Credit Cards	
Chase Visa 6847	3,258.81
Total Credit Cards	3,258.81
Other Current Liabilities	
2001 · A/P - Rent	35,000.00
2080 · Current Portion L/T Debt	23,437.00
2100 · Accrued Wages	188,920.01
2560 · Accrued Unemployment Taxes	608.40
Total Other Current Liabilities	247,965.41
Total Current Liabilities	258,197.43
Long Term Liabilities	
2700 · N/P-Horowitz Group	93,242.21
2710 · N/P-Chase SBA	48,906.29
2720 · Accrued R & D Expense	288,826.20
2900 · Less Current Portion	-23,437.00
Total Long Term Liabilities	407,537.70
Total Liabilities	665,735.13

3:40 PM

02/18/11

Alternative Fuel Technologies, Inc.
Statement of Cash Flows
 January through December 2010

	<u>Jan - Dec 10</u>
OPERATING ACTIVITIES	
Net Income	-244,014.64
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Accounts Receivable	-23,317.61
1300 · Inventory	-9,500.00
1310 · Work In Progress	-9,724.14
1350 · Prepaid Insurance	632.00
2000 · Accounts Payable	978.44
Chase Visa 6847	264.88
2001 · A/P - Rent	24,000.00
2003 · Home Depot	-64.32
2007 · A/P Wellington - A Church	-403.30
2008 · A/P Wellington - K Duryn	-40.00
2080 · Current Portion L/T Debt	-4,433.72
2100 · Accrued Wages	188,920.01
2500 · Accrued FICA	-2,633.95
2540 · Mich Income Tax Withheld	-376.03
2560 · Accured Unemployment Taxes	608.40
2620 · Accrued FUTA/MESC	-420.96
Net cash provided by Operating Activities	-79,524.94
INVESTING ACTIVITIES	
1520 · Furniture & Fixtures	21,976.60
1530 · Computer Equipment	-3,131.30
1540 · Laboratory Equipment	-800.48
1545 · Shop Equipment	-15,730.28
1550 · Software	-17,995.00
1580 · Leasehold Improvements	0.72
1620 · Accum Depreciation	29,892.52
Net cash provided by Investing Activities	14,212.78
FINANCING ACTIVITIES	
2700 · N/P-Horowitz Group	-170,257.79
2710 · N/P-Chase SBA	-24,237.43
2900 · Less Current Portion	4,433.72
3010 · Capital Stock - J C McCandless	960,000.00
3013 · Capital Stock - Horowitz Group	263,500.00
3015 · Addtl Paid in Capital-JCM	-851.45
3016 · Addtl Paid in Capital-Horowitz	-48,448.13
3018 · Un-Recognized Gain	-960,000.00
3030 · Retained Earnings	48,448.13
Net cash provided by Financing Activities	72,587.05
Net cash increase for period	7,274.89
Cash at beginning of period	21,779.79
Cash at end of period	<u>29,054.68</u>

3:27 PM
02/18/11
Accrual Basis

Alternative Fuel Technologies, Inc.
Profit & Loss
January through December 2010

	Jan - Dec 10
Ordinary Income/Expense	
Income	
4010 · Gov Contract Revenue	296,883.82
4015 · Commercial Revenue	48,672.07
Total Income	345,555.89
Gross Profit	345,555.89
Expense	
5000A · Direct Expenses	
5000 · Direct Wages	241,056.79
5030 · Direct Equipment	163.76
5035 · Direct Experimental Parts	69,297.34
5040 · Direct Supplies	1,023.91
5080 · Direct Conferences/Travel	-1,159.51
5090 · Direct Shipping	1,860.47
Total 5000A · Direct Expenses	312,242.76
5005 · WIP/Inv Adj	-51,851.80
5500A · Fringe Benefits	
5510 · Payroll Taxes	21,632.81
5520 · Health Insurance	9,255.92
5530 · Workers Comp Insurance	5,288.15
5540 · Pension Expense	7,914.43
Total 5500A · Fringe Benefits	44,091.31
6000A · Indirect Expenses	
6000 · Officer Salaries	8,285.05
6010 · Salaries	51,506.37
6020 · PTO Salaries/wages	7,198.75
6100 · Rent	24,000.00
6300 · Depreciation Expense	33,282.64
6350 · Amortization Expense	2,275.00
6400 · Telephone	2,419.77
6401 · Cell Phone	2,872.29
6405 · Internet / Web Hosting	1,795.43
6410 · Utilities	6,915.12
6600 · Dues & Subscriptions	195.00
6613 · Shop Supplies	3,615.03
6614 · Lab supplies	1,759.98
6650 · Filing Fees	25.00
6800 · Repairs & Maintenance	4,653.65
6830 · Janitorial Expense	256.95
6850 · Postage	54.70
6900 · Supplies	19.81
6920 · Office Supplies	2,858.42
7000 · Insurance	5,917.60
7100 · Legal / Accounting	12,016.59
7125 · Payroll Services	1,428.43
7135 · Research & Development	7,931.45
7136 · Research & Development Wages	86,243.44
7215 · Property Taxes	3,944.91
7230 · MI Business Tax	500.00
7400 · Travel	1,212.31
7410 · Vehicles Expense	2,689.33
7420 · Meals	98.01
7600 · Casual Labor	770.00
7700 · Bank Charges	429.70
7710 · Credit Card Fees	39.13
7900 · Freight	1,021.47
Total 6000A · Indirect Expenses	278,231.33
66900 · Reconciliation Discrepancies	0.00

3:27 PM

02/18/11

Accrual Basis

Alternative Fuel Technologies, Inc.

Profit & Loss

January through December 2010

	Jan - Dec 10
8000A · Indirect Unallowable Expenses	
8300 · Advertising	239.98
8350 · Donations	50.00
8420 · Meals & Entertainment	767.74
8500 · Interest Expense	3,680.17
8760 · Penalties	0.00
Total 8000A · Indirect Unallowable Expenses	4,737.89
Total Expense	587,451.49
Net Ordinary Income	-241,895.60
Other Income/Expense	
Other Income	
9200 · Interest Income	0.01
9350 · Gain(Loss) on Sale/Disposal	-2,119.05
Total Other Income	-2,119.04
Net Other Income	-2,119.04
Net Income	-244,014.64

10:53 AM

02/17/11

Accrual Basis

Alternative Fuel Technologies, Inc.

Balance Sheet

As of December 31, 2010

	<u>Dec 31, 10</u>
Equity	
3010 · Capital Stock - J C McCandless	907,419.48
3012 · Capital Stock - MVC	215,000.00
3013 · Capital Stock - Horowitz Group	263,500.00
3015 · Addtl Paid in Capital-JCM	63,378.65
3016 · Addtl Paid in Capital-Horowitz	204,992.05
3020 · Undistributed Loss	-288,826.20
3030 · Retained Earnings	-720,361.82
Net Income	-244,014.64
Total Equity	401,087.52
TOTAL LIABILITIES & EQUITY	<u>1,066,822.65</u>