



**Skyline Innovations, Inc.**  
**Financial Statements**  
December 31, 2013

**SKYLINE INNOVATIONS, INC.**  
**BALANCE SHEET**  
**December 31, 2013**

	<b><u>ASSETS</u></b>	
	<b>Unaudited December 31, 2013</b>	<b>Audited December 31, 2012</b>
<b>CURRENT ASSETS</b>		
Cash in Bank Checking	\$ 301,367	\$ 79,822
Cash in Bank Collateral	369,823	82,763
Accounts Receivable	1,323,496	399,534
Other AR & Accrued Revenue	-	78,693
Receivables from employees	5,000	5,000
Inventory In-house	193,834	117,714
Inventory SES Warehouse	131,243	296,653
Financial Prepaid Expenses	29,833	25,172
Work in Progress	913,259	206,133
<b>Total current assets</b>	<b>3,267,854</b>	<b>1,291,483</b>
<b>PROPERTY AND EQUIPMENT, net</b>		
Furnitures and equipment	129,289	103,005
Owned Projects	219,754	250,091
Capitalized cost of financed equipment	8,916,631	4,483,832
<b>Total property and equipment, net</b>	<b>9,265,674</b>	<b>4,836,928</b>
<b>OTHER ASSETS</b>		
Rental deposit	8,668	6,336
Patent pending	39,224	34,224
<b>Total other assets</b>	<b>47,892</b>	<b>40,560</b>
<b>TOTAL ASSETS</b>	<b>12,581,420</b>	<b>6,168,971</b>
	<b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	344,842	392,403
Credit Cards payable	3,355	-
Accrued expenses	219,164	57,100
Accrued Interest	181,381	3,156
Note payable - CFI	-	300,000
Line of credit - Keller	994,775	-
Customer deposit	442,300	-
Accrued project cost	145,672	127,029
Withholding tax payable	-	-
Income tax payable	285	285
<b>Total Current Liabilities</b>	<b>2,331,776</b>	<b>879,973</b>
<b>LONG-TERM LIABILITIES</b>		
Deferred revenue	30,000	-
Financing obligation	8,562,113	4,610,518
Warrants liability	3,461,346	3,461,346
Mezzanine loan	2,000,000	-
Deferred rent	12,673	762
<b>Total Long-Term Liabilities</b>	<b>14,066,132</b>	<b>8,072,626</b>
	<b><u>STOCKHOLDERS' EQUITY</u></b>	
<b>CAPITAL CONTRIBUTED</b>		
Series A Convertible Preferred Stock, \$0.001 par value, authorized 2,449,074 shares, 1,138,900 shares issued and outstanding.	1,139	1,139
Common Stock, \$0.001 par value, authorized 30,000,000 shares, 12,358,259 shares issued and outstanding.	12,358	12,348
Additional paid-in-capital Preferred Stocks	1,228,861	1,228,861
Additional paid-in-capital Common Stocks	4,396,985	4,389,995
<b>Total capital contributed</b>	<b>5,639,343</b>	<b>5,632,343</b>
<b>ACCUMULATED INCOME (DEFICIT)</b>		
Retained Earnings	(8,416,206)	(8,415,970)
Year to Date Net income (Loss)	(1,039,624)	-
<b>Total Accumulated Deficit</b>	<b>(9,455,831)</b>	<b>(8,415,970)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 12,581,420</b>	<b>\$ 6,168,972</b>

**SKYLINE INNOVATIONS, INC.**  
**STATEMENT OF INCOME**  
For the Twelve Months Ending  
December 31, 2013

	<u>Year to date</u>
<b>Revenue</b>	<b>Actual</b>
Energy revenue	\$ 69,828
Environmental Attributes (SREC)	543,179
Incentives Income	2,356,307
Project Sales - SHW	6,279,339
Project sales - PV	170,000
Project sales - Financing adjustment	(6,449,339)
Financial Statements	(2,417)
<b>Total Revenue</b>	<b><u>2,966,898</u></b>
 <b>Cost of Revenue</b>	
Cost of Goods Sold	\$ 4,648,847
Cost of Goods Sold - Financing adjustment	(4,648,847)
<b>Total Cost of Revenue</b>	<b><u>-</u></b>
 <b>Gross Profit</b>	 <b>2,966,898</b>
 Sales, General & Administrative Expenses	 <b><u>2,824,155</u></b>
 <b>Operating income/(loss)</b>	 <b><u>142,743</u></b>
 Interest Expense	(231,285)
Depreciation and amortization	(74,556)
Interest expense - Financing	(660,478)
Depreciation - Financing	(216,048)
 <b>Net Income/(Loss)</b>	 <b><u><u>\$ (1,039,624)</u></u></b>

**SKYLINE INNOVATIONS, INC.**  
**STATEMENT OF CASH FLOWS**  
December 31, 2013

	<b>YEAR-TO-DATE</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income (loss)	(\$1,039,624)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:	
Depreciation and Amortization	290,604
Financial Decrease(increase) in operating assets	
Accounts receivable	(923,962)
Other AR & Accrued Revenue	78,693
Inventory, SES and In-house	89,290
Prepaid expenses	(4,661)
Work in progress	(707,126)
Rental deposit	(2,332)
Patent pending	(5,000)
Increase(decrease) in operating liabilities	
Accounts payable	(47,560)
Credit Card payable	3,355
Accrued expenses	161,829
Withholding tax payable	-
Accrued project cost	18,643
Accrued interest	178,225
Customer deposit	442,300
Deferred revenue	30,000
Deferred Rent	11,911
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>(1,425,415)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(70,504)
Capitalized cost of financed equipment	(4,648,847)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>(4,719,351)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net borrowing/payment on notes payable	694,775
Borrowing on Mezzanine loan	2,000,000
Proceeds from financing obligation (Projects sold)	-
Increase in financing obligation	3,951,595
Proceeds from issuance of preferred stock	7,000
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>6,653,370</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	508,605
<b>CASH, BEGINNING OF YEAR</b>	<u>162,585</u>
<b>CASH, END OF YEAR</b>	<u><u>\$671,190</u></u>

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**7/9/2014 12:02:16 PM**

**in**

**Case No(s). 14-1082-EL-AGG, 14-1156-GA-AGG**

Summary: Amended Application Attached are three years of projected financials for section C-5 "Forecasted Financial Statements" of both applications as well as an original PDF version of our company's credit report for both application. electronically filed by Mr. Justin Schafer on behalf of Skyline Innovations