



**Skyline Innovations, Inc.**  
**Projected Financial Statements**  
**2014**

**SKYLINE INNOVATIONS, INC.**  
**BALANCE SHEET**  
**December 31, 2014**

	<u><b>ASSETS</b></u>	
	<b>Unaudited December 31, 2014</b>	<b>Audited December 31, 2013</b>
<b>CURRENT ASSETS</b>		
Cash in Bank Checking	\$ 4,801,168	\$ 301,367
Cash in Bank Collateral	998,800	369,823
Accounts Receivable	1,704,310	1,323,496
Other AR & Accrued Revenue	13,334	-
Receivables from employees	720	5,000
Inventory In-house	359,650	193,834
Inventory SES Warehouse	131,242	131,243
Prepaid Expenses	79,728	29,833
Work in Progress	1,141,303	913,259
<b>Total current assets</b>	<b>9,230,255</b>	<b>3,267,854</b>
<b>PROPERTY AND EQUIPMENT, net</b>		
Furnitures and equipment	142,218	129,289
Owned Projects	219,754	219,754
Capitalized cost of financed equipment	8,916,631	8,916,631
<b>Total property and equipment, net</b>	<b>9,278,603</b>	<b>9,265,674</b>
<b>OTHER ASSETS</b>		
Rental deposit	8,668	8,668
Patent pending	39,224	39,224
<b>Total other assets</b>	<b>47,892</b>	<b>47,892</b>
<b>TOTAL ASSETS</b>	<b>18,556,750</b>	<b>12,581,420</b>
	<u><b>LIABILITIES</b></u>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,303,707	344,842
Credit Cards payable	32,265	3,355
Accrued expenses	63,343	219,164
Accrued Interest	178,106	181,381
Note payable - CFI	-	-
Line of credit - Keller	-	994,775
Customer deposit	-	442,300
Accrued project cost	287,624	145,672
Withholding tax payable	6,535	-
Income tax payable	-	285
<b>Total Current Liabilities</b>	<b>1,871,580</b>	<b>2,331,776</b>
<b>LONG-TERM LIABILITIES</b>		
Deferred revenue	30,000	30,000
Financing obligation	8,562,113	8,562,113
Warrants liability	3,461,346	3,461,346
Mezzanine loan	2,000,000	2,000,000
Deferred rent	12,160	12,673
<b>Total Long-Term Liabilities</b>	<b>14,065,619</b>	<b>14,066,132</b>
	<u><b>STOCKHOLDERS' EQUITY</b></u>	
<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
Series A Convertible Preferred Stock, \$0.001 par value, authorized 5,204,460 shares issued and outstanding.	5,204	-
Common Stock, \$0.001 par value, authorized 30,000,000 shares, 12,358,259 shares issued and outstanding.	12,358	12,358
Additional paid-in-capital Preferred Stocks Series A	1,228,861	1,228,861
Additional paid-in-capital Preferred Stocks Series B	6,994,796	-
Additional paid-in-capital Common Stocks	4,396,985	4,396,985
<b>Total capital contributed</b>	<b>12,639,343</b>	<b>5,639,343</b>
<b>ACCUMULATED INCOME (DEFICIT)</b>		
Retained Earnings	(9,455,830)	(8,416,206)
Year to Date Net income (Loss)	(563,962)	(1,039,624)
<b>Total Accumulated Deficit</b>	<b>(10,019,792)</b>	<b>(9,455,830)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 18,556,750</b>	<b>\$ 12,581,420</b>
	(0)	(0)

**SKYLINE INNOVATIONS, INC.**  
**STATEMENT OF INCOME**  
For the Twelve Months Ending  
December 31, 2014

	<b>Year to date</b>
<b>Revenue</b>	<b>Actual</b>
Energy revenue	\$ 78,050
Environmental Attributes (SREC)	537,941
Incentives Income	320,023
Project Sales - SHW	13,858,031
Project sales - PV	5,116,311
Brokerage	87,756
<b>Total Revenue</b>	<b>19,998,112</b>
<b>Cost of Revenue</b>	
Cost of Goods Sold	\$ 14,036,099
COGS Brokerage	52,654
<b>Total Cost of Revenue</b>	<b>14,088,753</b>
<b>Gross Profit</b>	<b>5,909,360</b>
Project Expenses	2,684,057
Sales, General & Administrative Expenses	3,221,134
	<b>4,169</b>
<b>Operating income/(loss)</b>	
Interest Expense	(513,216)
Depreciation and amortization	(54,915)
	<b>\$ (563,962)</b>

**SKYLINE INNOVATIONS, INC.**  
**STATEMENT OF CASH FLOWS**  
December 31, 2014

	<b>YEAR-TO-DATE</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income (loss)	(\$563,962)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:	
Depreciation and Amortization	54,915
Decrease(increase) in operating assets	
Accounts receivable	(380,814)
Other AR & Accrued Revenue	(9,054)
Inventory, SES and In-house	(165,816)
Prepaid expenses	(49,895)
Work in progress	(228,044)
Rental deposit	0
Patent pending	0
Increase(decrease) in operating liabilities	
Accounts payable	958,865
Credit Card payable	28,910
Accrued expenses	(156,057)
Withholding tax payable	6,535
Accrued project cost	141,952
Accrued interest	(3,275)
Customer deposit	(442,300)
Deferred revenue	-
Deferred Rent	(513)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(808,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(67,893)
Capitalized cost of financed equipment	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(67,893)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net borrowing/payment on notes payable	(994,775)
Borrowing on Mezzanine loan	-
Proceeds from financing obligation (Projects sold)	-
Increase in financing obligation	(0)
Proceeds from issuance of preferred stock	7,000,000
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>6,005,225</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>5,128,778</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>671,190</b>
<b>CASH, END OF YEAR</b>	<b>\$5,799,968</b>