

1:59 PM

02/13/17

Accrual Basis

**Halitron Inc.**  
**Balance Sheet**  
As of December 31, 2016

	Mar 31, 16	Jun 30, 16	Sep 30, 16	Dec 31, 16
<b>ASSETS</b>				
<b>Current Assets</b>				
Checking/Savings	2,414	-276	1,750	12,902
Accounts Receivable	65,513	58,392	9,005	0
<b>Other Current Assets</b>				
Inventory - CinchSigns	0	63,104	57,881	57,881
Prepaid Expenses '	0	20,000	10,000	0
<b>Total Other Current Assets</b>	<b>0</b>	<b>83,104</b>	<b>67,881</b>	<b>57,881</b>
<b>Total Current Assets</b>	<b>67,927</b>	<b>141,220</b>	<b>78,636</b>	<b>70,783</b>
<b>Other Assets</b>				
<b>Goodwill</b>				
Goodwill - Archival Museum	126,837	126,837	126,837	126,837
Goodwill - Archival Photo	336,035	336,035	336,035	336,035
Goodwill - CinchSigns	0	611,622	611,622	611,622
Goodwill - NDG	187,000	187,000	187,000	187,000
Goodwill - Pieces in Places	28,297	28,297	28,297	28,297
Goodwill - PRD	150,000	150,000	150,000	150,000
<b>Total Goodwill</b>	<b>828,169</b>	<b>1,439,791</b>	<b>1,439,791</b>	<b>1,439,791</b>
Security Deposit '	0	1,000	0	0
<b>Total Other Assets</b>	<b>828,169</b>	<b>1,440,791</b>	<b>1,439,791</b>	<b>1,439,791</b>
<b>TOTAL ASSETS</b>	<b>896,096</b>	<b>1,582,011</b>	<b>1,518,427</b>	<b>1,510,574</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
Accounts Payable	190,206	235,279	320,136	354,852
<b>Total Accounts Payable</b>	<b>190,206</b>	<b>235,279</b>	<b>320,136</b>	<b>354,852</b>
<b>Other Current Liabilities</b>				
Accrued Expenses	4,282	36,458	36,457	0
Accrued Interest	19,300	38,377	66,576	93,533
Accrued Interest '	661,763	661,763	661,763	661,763
InterCo with Related Parties	-209,206	-209,307	-123,006	-123,066
Legacy A/P	255,722	255,722	255,722	255,722
Note Payable - LOC	1,975,413	1,975,413	1,975,413	1,975,413
Other Liabilities - Capella	0	5,572	4,253	-5,765
ST Note Payable	982,369	1,676,602	1,700,025	1,716,582
<b>Total Other Current Liabilities</b>	<b>3,689,643</b>	<b>4,440,600</b>	<b>4,577,204</b>	<b>4,574,182</b>
<b>Total Current Liabilities</b>	<b>3,879,849</b>	<b>4,675,879</b>	<b>4,897,340</b>	<b>4,929,034</b>
<b>Total Liabilities</b>	<b>3,879,849</b>	<b>4,675,879</b>	<b>4,897,340</b>	<b>4,929,034</b>
<b>Equity</b>				
Accumulated Deficit '	-9,187,704	-9,187,704	-9,187,704	-9,187,704
Add'l Paid In Capital '	10,858,557	11,026,270	11,189,348	11,257,348
Common Stock, \$.0001 par	52,375	30,686	36,989	38,989
Preferred Stock A, \$.0001 par	1,000	1,000	1,000	1,000
Preferred Stock B, \$.0001 par	0	1,000	1,000	1,000
Retained Earnings	-3,422,521	-3,422,521	-3,422,521	-5,419,546
Net Income	-1,285,460	-1,542,599	-1,997,025	-109,548
<b>Total Equity</b>	<b>-2,983,753</b>	<b>-3,093,868</b>	<b>-3,378,913</b>	<b>-3,418,461</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>896,096</b>	<b>1,582,011</b>	<b>1,518,427</b>	<b>1,510,574</b>

2:00 PM

02/13/17

Accrual Basis

**Halitron Inc.**  
**Profit & Loss**  
**January through December 2016**

	Jan - Mar 16	Apr - Jun 16	Jul - Sep 16	Oct - Dec 16	TOTAL
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>Services Income</b>	65,513	58,392	9,005	0	132,910
<b>Total Income</b>	65,513	58,392	9,005	0	132,910
<b>Cost of Goods Sold</b>					
<b>COGS</b>	19,503	10,205	2,251	0	31,959
<b>Inventory - COGS</b>	4,282	19,269	3,035	0	26,586
<b>Total COGS</b>	23,785	29,475	5,286	0	58,546
<b>Gross Profit</b>	41,728	28,917	3,718	0	74,364
<b>Expense</b>					
<b>Advertising and Promotion</b>	1,046	114	0	0	1,160
<b>Automobile Expense</b>	1,427	2,241	1,673	2,520	7,860
<b>Bank Service Charges</b>	1,626	3,214	1,130	-1,042	4,928
<b>Communication Expense</b>	2,367	1,356	149	1,029	4,901
<b>Computer &amp; Internet Expense</b>	1,240	3,924	4,246	6,012	15,422
<b>Consultancy Fee</b>					
<b>Consulting - Accounting Expense</b>	266	9,035	2,501	22,127	33,929
<b>Consulting - Legal Expense</b>	1,487	0	436	5,000	6,923
<b>Consulting - Mexico Expense</b>	0	0	0	550	550
<b>Consulting -Call Center Expense</b>	0	4,500	357	0	4,857
<b>Consultancy Fee - Other</b>	3,054	-5,674	4,794	0	2,173
<b>Total Consultancy Fee</b>	4,807	7,860	8,088	27,677	48,432
<b>Dues and Subscriptions</b>	3,150	-576	0	302	2,876
<b>Equipment Rental Expense</b>	0	3,777	3,777	3,777	11,331
<b>Financing Fees</b>	0	0	5,684	0	5,684
<b>Health Insurance Expense</b>	815	2,454	0	4,880	8,149
<b>Insurance Exp</b>	661	0	0	0	661
<b>Marketing Expense</b>	5,500	66,058	51,128	320	123,006
<b>Meals and Entertainment</b>	798	101	284	811	1,995
<b>Misc. Expense</b>	2,720	-45	23	-204	2,494
<b>Office Supplies</b>	19,201	185	2,387	362	22,134
<b>Payroll Expense</b>	31,605	28,859	18,880	-3,328	76,015
<b>Postage and Delivery</b>	674	573	21,322	963	23,532
<b>Professional Fees</b>	39,675	0	0	0	39,675
<b>Rent Expense</b>	1,800	2,244	2,880	1,733	8,657
<b>Stock-based Comp – Non-Emp</b>	0	43,904	87,260	40,000	171,164
<b>Stock Services</b>	1,825	427	5,769	5,337	13,358
<b>Travel Expense</b>	218	0	1,605	1,707	3,529
<b>Utilities</b>	0	84	775	0	859
<b>Total Expense</b>	121,154	166,754	217,059	92,855	597,822
<b>Net Ordinary Income</b>	-79,425	-137,837	-213,341	-92,855	-523,458
<b>Other Income/Expense</b>					
<b>Other Income</b>					
<b>Interest Income</b>	0	0	0	0	0
<b>Total Other Income</b>	0	0	0	0	0

2:00 PM  
02/13/17  
Accrual Basis

**Halitron Inc.**  
**Profit & Loss**  
January through December 2016

---

	Jan - Mar 16	Apr - Jun 16	Jul - Sep 16	Oct - Dec 16	TOTAL
<b>Other Expense</b>					
Ask My Accountant	0	0	0	0	0
Gain/Loss on investment	-504	53,381	96,295	0	149,171
Gain/Loss on note conversion	18,900	35,200	61,937	0	116,037
Gain/loss on stock (debt)	0	31,500	0	0	31,500
Gain/Loss Settlement of NetDebt	61,360	-19,856	54,654	-10,265	85,894
Interest Expense '	6,300	19,077	28,199	26,957	80,533
Tax Expense	0	0	0	0	0
<b>Total Other Expense</b>	<b>86,055</b>	<b>119,302</b>	<b>241,085</b>	<b>16,692</b>	<b>463,135</b>
<b>Net Other Income</b>	<b>-86,055</b>	<b>-119,302</b>	<b>-241,085</b>	<b>-16,692</b>	<b>-463,135</b>
<b>Net Income</b>	<b>-165,480</b>	<b>-257,139</b>	<b>-454,426</b>	<b>-109,548</b>	<b>-986,594</b>

---

2:02 PM

02/13/17

**Halitron Inc.**  
**Statement of Cash Flows**  
January through December 2016

---

	Jan - Dec 16
<b>OPERATING ACTIVITIES</b>	
Net Income	-986,594
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	829,100
<b>INVESTING ACTIVITIES</b>	
Goodwill:Goodwill - Archival Museum	-126,837
Goodwill:Goodwill - Archival Photo	-336,035
Goodwill:Goodwill - CinchSigns	-611,622
Goodwill:Goodwill - Pieces in Places	-28,297
Goodwill:Goodwill - PRD	-150,000
Net cash provided by Investing Activities	-1,252,791
<b>FINANCING ACTIVITIES</b>	
Add'l Paid In Capital '	419,581
Common Stock, \$.0001 par	14,248
Preferred Stock B, \$.0001 par	1,000
Net cash provided by Financing Activities	434,829
Net cash increase for period	11,139
Cash at beginning of period	1,763
Cash at end of period	<u>12,902</u>