

## Exhibit B

**Pinaki & Associates LLC****Certified Public Accountants**

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To The Board of Directors  
International Automated Systems Inc.  
American Fork  
Utah 84003

We have audited the accompanying consolidated balance sheets of International Automated Systems Inc. as of June 30, 2014 and 2013, and the related statements of income, stockholders' equity and cash flows for the years ended June 30, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Automated Systems Inc. as of June 30, 2014 and 2013, and the related statements of income, stockholders' equity and cash flows for the years ended June 30, 2014 and 2013, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations that raises a substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Pinaki & Associates, LLC

Pinaki & Associates, LLC

Newark, DE

May 26, 2015

F-1

**INTERNATIONAL AUTOMATED SYSTEMS, INC**

## Balance Sheets

ASSETS

	June 30, 2014	June 30, 2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 26,108	\$ 402,656
Accounts receivable	-	758,183
	<u>26,108</u>	<u>1,160,839</u>
Total Current Assets		

PROPERTY AND EQUIPMENT, net	280,832	314,077
	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 306,940</u>	<u>\$ 1,474,916</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 2,677	\$ 34,588
Accrued liabilities	-	16,125
Related party payable	<u>147,196</u>	<u>147,196</u>
Total Current Liabilities	<u>149,873</u>	<u>197,909</u>
Long-term notes payable	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>149,873</u>	<u>197,909</u>
STOCKHOLDERS' EQUITY		
Preferred stock, no par value; 22,000,000 shares authorized, 5,700,000 and 5,700,000 shares issued and outstanding, respectively	470,264	470,264
Common stock, no par value, 225,000,000 shares authorized, 64,894,305 and 64,894,305 issued and outstanding, respectively	39,650,775	39,650,775
Accumulated deficit	<u>(39,963,972)</u>	<u>(38,844,032)</u>
Total Stockholders' Equity	<u>157,067</u>	<u>1,277,007</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 306,940</u>	<u>\$ 1,474,916</u>

The accompanying notes are an integral part of these financial statements.

F-2

**INTERNATIONAL AUTOMATED SYSTEMS, INC**  
(A Development Stage Company)  
Statements of Operations

	For the Year Ended	
	June 30,	
	<u>2014</u>	<u>2013</u>
REVENUES	\$ -	\$ -
OPERATING EXPENSES		
Research and development	181,792	144,617
Depreciation expense	38,851	43,110
General and administrative	<u>899,299</u>	<u>1,404,636</u>
Total Operating Expenses	<u>1,119,942</u>	<u>1,592,363</u>
OTHER INCOME (EXPENSES)		
Sale of assets	-	365,681
Interest income	<u>2</u>	<u>1</u>
Total Other Income (Expenses)	<u>2</u>	<u>365,682</u>

NET LOSS	<u>\$ (1,119,940)</u>	<u>\$ (1,226,681)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<u>64,894,305</u>	<u>58,610,177</u>

The accompanying notes are an integral part of these financial statements

F-3

**INTERNATIONAL AUTOMATED SYSTEMS, INC**  
Statements of Stockholders' Equity

	Preferred Stock		Common Stock		Stock Subscriptions Payable	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance, June 30, 2012	5,700,000	\$ 470,264	53,419,623	\$ 37,704,739	\$ 582,859	\$ (37,617,351)	\$ 1,140,511
Common stock issued for cash	-	-	9,174,682	1,342,289	(582,859)	-	759,430
Common stock issued for services	-	-	2,300,000	603,747	-	-	603,747
Net loss for the year ended June 30, 2013	-	-	-	-	-	(1,226,681)	(1,226,681)
Balance, June 30, 2013	5,700,000	470,264	64,894,305	39,650,775	-	(38,844,032)	1,277,007
Net loss for the year ended June 30, 2014	-	-	-	-	-	(1,119,940)	(1,119,940)
Balance, June 30, 2014	<u>5,700,000</u>	<u>\$ 470,264</u>	<u>64,894,305</u>	<u>\$ 39,650,775</u>	<u>\$ -</u>	<u>\$ (39,963,972)</u>	<u>\$ 157,067</u>

The accompanying notes are an integral part of these financial statements.

F-4

**INTERNATIONAL AUTOMATED SYSTEMS, INC**  
Statements of Cash Flows