Coastal Foods, Inc.
Balance Sheet
For Quarter Ending June 30, 2015
Unaudited

	Actual
ASSETS	
Current Assets	
Cash and cash equivalents	**75,418**
Accounts Receivable, net	**1,453,655**
Inventory	**3,660,046**
Due from Affiliates	**-**
Prepaid expenses and other current assets	**407,482**
Total Current Assets	**5,596,601**
Property, plant and equipment, net	**2,003,890**
Investment in Affiliates	**-**
Other long-term assets	**61,872**
Total Other Assets	**2,065,762**
TOTAL ASSETS	**7,662,363**
LIABILITIES & EQUITY	
Current Liabilities	
Accounts Payable, trade	**2,714,368**
Due to Affiliates	**-**
Accrued liabilities	**10,654,382**
Current portion of debt	**3,962,591**
Current portion of long-term debt	
Total Current Liabilities	
Long term debt	**14,008,869**
Total Liabilities	**31,340,210**
Equity	
Common Stock	**650,252**
Opening Balance Equity	**-**
Additional Paid in Capital	**11,630,998**
Retained Earnings	**(35,014,374)**
Net Income	**(944,723)**
Total Equity	**(23,677,847)**
TOTAL LIABILITIES & EQUITY	**7,662,363**
*** Accrual Basis**	**-**

Coastal Foods, Inc.
Income Statement
For Quarter Ending June 30, 2015

Unaudited

	Actual (QTD)	Actuaj (YTD)
Income		
Sales	6,258,435	12,240,649
Sales Returns & Allowances	-	-
Sales Discounts	(115,191)	(188,682)
Total Income	6,143,244	12,051,966
Cost of Goods Sold		
Materials	3,254,534	6,768,407
Direct Labor	1,292,696	2,346,003
Contract Labor	8,318	16,144
Freight Out-Finished Goods	148,532	305,598
Total Cost Of Goods Sold	4,704,080	9,436,152
Gross Margin	1,439,164	2,615,814
Operating Expenses		
Indirect Labor	96,714	184,575
Indirect Expenses	298,350	547,378
R & M Factory	136,804	267,140
Total Operating Expenses	531,868	999,093
Operating Income (Loss)	907,296	1,616,721
G & A Expenses		
Admin Salaries & Wages	344,983	632,149
Admin Expenses	286,518	588,189
Total G & A Expense	631,501	1,220,337
Net Ordinary Income (EBITDA)	275,795	396,384
Proceeds from Sale of Assets	-	-
Depreciation Expense	101,817	204,061
Interest Expense	534,221	1,055,507
Taxes - Property	27,981	56,481
Penalties & Fines	-	4,024
Other Income/Expense	14,081	21,035
Total Other Expense	678,101	1,341,107
Net Income (Loss)	**(402,306)**	**(944,723)**

*** Accrual Basis**

Coastal Foods, Inc.
Cash Flow Statement
For Quarter Ending June 30, 2015

Net Income			$ (945,729)
Cash Flow From Operating Activities:			
Adjustments to reconcile net income (loss) to net cash			
Depreciation	$ (204,061)		
Other Fees	-		
Disposal of Asset			
Changes in Assets and Liabilities			
Accounts Receivable	(185,891)		
Accounts Payable	(281,633)		
Inventory	(276,179)		
Interest Payable	1,000,390		
Total Other Assets	27,216		
Total Other Liabilities	759,080		
		$ 838,923	
Cash Flow From Investing Activities:			
Purchase of Property, Plant & Equipment			
Deposits	40		
Machinery & Equipment	$ (79,626)		
		(79,586)	
Cash Flow From Financing Activities:			
Net Borrowings	$ (9,801)		
		(9,801)	
Beginning Cash & Equivalents			21,611
Ending Cash Equivalents			$ 75,418

The Company's financial instruments include cash, account receivables, other assets and accounts payable.

NOTE 1 - ASSETS

- The current value of all assets is recorded at the lower of cost or market value.
- The value of property, plant and equipment is recorded at cost net of depreciation. Depreciation is recorded using the straight line method of depreciation over all estimated lives of five to ten years.
- Monthly adjustments are made to value inventory at book value based on physical counts.
- The company grants credit to customers in the normal course of operation. Accounts receivables are recorded at the invoiced amount without regard to allowance for bad debts or discounts. Uncollectible accounts are expensed in the period they are determined to be uncollectible.
- Financial instruments which have an inherent credit risk include cash and accounts receivable. The company maintains its demand deposits in commercial banks with balances maintained within the applicable limits of federal deposit insurance.

NOTE 2 – EQUIPMENT

Property, plant and equipment consists of the following:

1. Furniture & Fixtures	$ 22,831
2. Office Equipment	43,762
3. Machinery & Equipment	6,115,848
4. Leasehold Improvements	2,025,694
Less accumulated depreciation	6,204,244
	$2,003,891

NOTE 3 – LIABILITIES

- Accounts payable-trade are recorded at the invoiced amount without regard to ageing. Certain trade liabilities are the subject of litigation in which sums in excess of those recorded are being sought from the Company. No opinion of counsel has been sought by the Company concerning the likelihood of an unsuccessful result of the litigation or the range of liability from such litigation in the event of an unsuccessful outcome.
- Interest is accrued at simple interest rates on several notes which may be converted in whole or in part to the Company's common stock at an undetermined future date.

NOTE 4 - NOTES PAYABLE

- Unsecured note with scheduled payments of $ 6,942.52 and $ 2,049.28. The outstanding balance of the combined indebtedness is $431,439. The loan was obtained from a private investor and the loan proceeds were used to supplement monthly operational expenses.

NOTE 5 – CAPITAL STOCK

- Capital stock consists of 20,000,000 shares of common stock authorized, 7,702,523 shares issued and outstanding.