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

	Actual
ASSETS	
Current Assets	
Cash and cash equivalents	**397,359**
Accounts Receivable, net	**1,875,359**
Inventory	**2,563,577**
Due from Affiliates	**-**
Prepaid expenses and other current assets	**392,240**
Total Current Assets	**5,228,536**
Property, plant and equipment, net	**1,890,933**
Investment in Affiliates	**-**
Other long-term assets	**62,272**
Total Other Assets	**1,953,205**
TOTAL ASSETS	**7,181,741**
LIABILITIES & EQUITY	
Current Liabilities	
Accounts Payable, trade	**2,619,053**
Due to Affiliates	**-**
Accrued liabilities	**11,020,635**
Current portion of debt	**-**
Current portion of long-term debt	
Total Current Liabilities	
Long term debt	**17,525,069**
Total Liabilities	**31,164,756**
Equity	
Common Stock	**650,252**
Opening Balance Equity	**-**
Additional Paid in Capital	**11,630,998**
Retained Earnings	**(35,014,374)**
Net Income	**(1,249,891)**
Total Equity	**(23,983,016)**
TOTAL LIABILITIES & EQUITY	**7,181,741**
*** Accrual Basis**	**-**

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

	Actual (QTD)	Actuaj (YTD)
Income		
Sales	7,122,164	19,362,813
Sales Returns & Allowances	-	-
Sales Discounts	(117,345)	(306,027)
Total Income	7,004,819	19,056,785
Cost of Goods Sold		
Materials	4,185,892	10,953,611
Direct Labor	1,346,963	3,692,480
Contract Labor	5	16,149
Freight Out-Finished Goods	214,771	520,369
Total Cost Of Goods Sold	5,747,631	15,182,609
Gross Margin	1,257,188	3,874,177
Operating Expenses		
Indirect Labor	92,081	276,656
Indirect Expenses	295,074	842,452
R & M Factory	200,981	467,358
Total Operating Expenses	588,136	1,586,466
Operating Income (Loss)	669,052	2,287,711
G & A Expenses		
Admin Salaries & Wages	379,445	1,011,548
Admin Expenses	405,528	992,433
Total G & A Expense	784,973	2,003,981
Net Ordinary Income (EBITDA)	(115,921)	283,730
Proceeds from Sale of Assets	(5,498)	(21,867)
Depreciation Expense	135,833	339,893
Interest Expense	13,471	1,068,978
Taxes - Property	28,659	85,140
Penalties & Fines	-	4,024
Other Income/Expense	20,050	57,453
Total Other Expense	192,514	1,533,621
Net Income (Loss)	**(308,435)**	**(1,249,891)**

*** Accrual Basis**

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

Net Income			$ (1,249,891)
Cash Flow From Operating Activities:			
Adjustments to reconcile net income (loss) to net cash			
Depreciation	$ (339,893)		
Other Fees	-		
Disposal of Asset			
Changes in Assets and Liabilities			
Accounts Receivable	(607,596)		
Accounts Payable	(341,710)		
Inventory	794,179		
Interest Payable	1,934,167		
Total Other Assets	403,451		
Total Other Liabilities	38,288		
		$ 1,880,886	
Cash Flow From Investing Activities:			
Purchase of Property, Plant & Equipment			
Deposits	(360)		
Machinery & Equipment	$ (102,501)		
		(102,861)	
Cash Flow From Financing Activities:			
Net Borrowings	$ (456,192)		
		(456,192)	
Beginning Cash & Equivalents			75,418
Ending Cash Equivalents			$ 397,359

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	$ 25,875
2. Office Equipment	43,762
3. Machinery & Equipment	6,128,679
4. Leasehold Improvements	2,032,693
Less accumulated depreciation	6,340,076
	$1,890,933

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 $417,736. 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.