FLAME SEAL PRODUCTS, INC.
Profit & Loss
January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
407 · Income - Product Sales	1,696,854.24
408 · Income - Other	74,841.61
410 · Income - Freight	86,102.91
Total Income	1,857,798.76
Cost of Goods Sold	
501 · COGS - Materials	658,818.28
503 · COGS - Other	25,700.97
505 · COGS - Freight and Delivery	122,212.73
507 · COGS - Certification Testing	(65,326.42)
599 · COGS - Outside Services	3,774.00
Total COGS	745,179.56
Gross Profit	1,112,619.20
Expense	
601 · Advertising	7,932.64
602 · Alarm	10.00
604 · Automobile Expense	5,694.21
606 · Bank Service Charges	9,376.40
610 · Contract Labor	39,729.40
612 · Depreciation Expense	18,241.12
616 · Dues and Subscriptions	5,285.22
617 · Entertainment	498.17
621 · Insurance - Health / Life	29,906.34
622 · Insurance - Liability	106,208.55
630 · Licenses and Permits	0.00
631 · Marketing	9,855.97
637 · Miscellaneous	523.10
638 · Other Expenses	0.00
640 · Payroll - Gross Wages	509,819.96
641 · Payroll - Payroll Taxes	40,864.99
642 · Payroll - Fees	172.99
643 · Payroll - Simple	7,336.29
652 · Professional Fees	59,090.50
653 · R & D	(4,454.89)
654 · Reference Materials	5,453.04
655 · Rent	130,970.74
656 · Rental Equipment	1,680.60
662 · Repairs	8,187.71
670 · Supplies	22,339.12
677 · Postage	1,565.12
682 · Taxes - Penalties	5,963.59
683 · Taxes - Property	14,776.41
685 · Telephone	16,062.54
686 · Tools	0.00

FLAME SEAL PRODUCTS, INC.
Profit & Loss
January through December 2014

	Jan - Dec 14
687 · Trade Shows	5,991.27
688 · Training	603.17
690 · Travel & Ent - Entertainment	1,001.50
691 · Travel & Ent - Meals	7,617.89
692 · Travel & Ent - Travel	47,057.07
693 · Utilities	9,134.44
Total Expense	1,124,495.17
Net Ordinary Income	(11,875.97)
Other Income/Expense	
Other Expense	
801 · Finance Charge	17,597.56
803 · Income from Prior Period	10,584.25
815 · Interest Expense	21,476.98
Total Other Expense	49,658.79
Net Other Income	(49,658.79)
Net Income	**(61,534.76)**

FLAME SEAL PRODUCTS, INC.
Balance Sheet
As of December 31, 2014

	Dec 31, 14
ASSETS	
Current Assets	
Checking/Savings	
110 · Frost Bank (Main)	59,596.85
120 · Frost Bank (Travel)	1,370.34
121 · Frost Bank (Stock)	500.01
Total Checking/Savings	61,467.20
Accounts Receivable	
150 · Accounts Receivable	109,795.39
Total Accounts Receivable	109,795.39
Other Current Assets	
160 · Inventory - Finished Goods	6,182.09
161 · Inventory - JE	148,219.22
Total Other Current Assets	154,401.31
Total Current Assets	325,663.90
Fixed Assets	
181 · Product Development Testing	104,008.42
183 · Property & Equipment	125,940.67
184 · Warehouse Equipment	10,175.53
189 · Accumulated Depreciation	(112,787.09)
Total Fixed Assets	127,337.53
Other Assets	
190 · Deferred Tax	837,672.42
191 · Patents & Product Development	233,622.74
192 · Valuation Allowance	(837,672.42)
199 · Accumulated Amortiziation	(233,622.74)
Total Other Assets	0.00
TOTAL ASSETS	**453,001.43**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 · Accounts Payable	37,106.70
Total Accounts Payable	37,106.70
Other Current Liabilities	
205 · Accrued Interst Payable	17,430.00
207 · Accrued Property Taxes	8,443.68
213 · Payroll Liability - FUTA	55.29
215 · Payroll Liability - Unemploy	56.40
230 · Sales Tax Payable	433.37

FLAME SEAL PRODUCTS, INC.
Balance Sheet
As of December 31, 2014

	Dec 31, 14	
252 · SHL - Schroeder Patnership, LTD	109,999.99	
Total Other Current Liabilities	136,418.73	
Total Current Liabilities	173,525.43	
Long Term Liabilities		
LTL		
255 · LTL - Schroeder Patnership, LTD	150,000.00	
260 · LTL - Mike Kiser	12,559.24	
261 · LTL - CIT	81,156.08	
Total LTL		243,715.32
NP		
220 · NP - Schroeder Partnerships	260,853.12	
241 · NP - Buckman Labs	540,000.00	
244 · NP - Everett McDonald	194,772.19	
245 · NP - LEAF	24,000.00	
Total NP		1,019,625.31
SHL		
246 · SHL - Adam Attayi	28,000.00	
247 · SHL - Bruce Rutherford	166,000.00	
248 · SHL - CDLM Invest Romeo Laural	131,500.00	
Total SHL		325,500.00
Total Long Term Liabilities	1,588,840.63	
Total Liabilities	1,762,366.06	
Equity		
300 · Additional paid-in capital	9,723,078.68	
350 · Treasury Stock	473,381.01	
399 · Retained Earnings	(11,444,289.56)	
Net Income	(61,534.76)	
Total Equity	(1,309,364.63)	
TOTAL LIABILITIES & EQUITY	**453,001.43**	

FLAME SEAL PRODUCTS, INC.
Statement of Cash Flows
January through December 2014

	Jan - Dec 14
OPERATING ACTIVITIES	
Net Income	(61,534.76)
Adjustments to reconcile Net Income to net cash provided by operations:	
150 · Accounts Receivable	(81,069.77)
160 · Inventory - Finished Goods	(6,182.09)
161 · Inventory - JE	(95,412.08)
170 · Prepaid Expense	81,570.20
200 · Accounts Payable	(29,455.11)
Credit Cards:Riverview #1617-VISA	(7,016.65)
Credit Cards:2017-00 · Office Depot	(5,951.35)
Credit Card Accounts:201 · Bank of Ameria#2334(old#2817-MC	(1,529.40)
Credit Card Accounts:202 · Capital One #5080-VISA was#2669	(2,911.86)
Credit Card Accounts:203 · Capital One #5396-VISA	(3,968.52)
Credit Card Accounts:204 · Capital One #8206-VISA	(3,651.32)
NP - Kiser/FSPI - LEAF & CIT	(98,000.00)
210 · Accrued Interest Payable	(17,804.00)
211 · Accrued Payroll	(2,884.00)
213 · Payroll Liability - FUTA	55.29
215 · Payroll Liability - Unemploy	56.40
230 · Sales Tax Payable	(935.04)
205 · Accrued Interst Payable	17,430.00
207 · Accrued Property Taxes	8,443.68
Net cash provided by Operating Activities	(310,750.38)
INVESTING ACTIVITIES	
181 · Product Development Testing	(104,008.42)
183 · Property & Equipment	(3,814.42)
189 · Accumulated Depreciation	27,298.60
Net cash provided by Investing Activities	(80,524.24)
FINANCING ACTIVITIES	420,302.47
Net cash increase for period	29,027.85
Cash at beginning of period	32,439.35
Cash at end of period	**61,467.20**