

FLAME SEAL PRODUCTS, INC.

PROFIT & LOSS STATEMENT

January through June 2016

	Jan - Jun 2016
Sales	\$ 1,561,608
Other Income	(1,006)
	<u>1,560,602</u>
Cost of Sales	
Purchases	654,307
Freight	94,296
Certification Testing	-
Outside Services-Production	1,320
Total Cost of Sales	<u>749,924</u>
Gross Profit	<u>\$ 810,678</u>
Selling, General, & Admin Expenses	
Expenses	823,325
Total S G & A	<u>823,325</u>
Net Ordinary Loss	(12,647)
Other Income	
Interest Income	10
Total other Expenses	<u>10</u>
Other Expense	
Interest Expense	12,381
Total Expense	<u>12,381</u>
Net Other Income / Expenses	<u>(12,371)</u>
Net Loss	<u>\$ (25,017)</u>

Prepared without Audit

FLAME SEAL PRODUCTS, INC.

BALANCE SHEET

June 30, 2016

ASSETS	Jan - Jun 2016
Current Assets	
Cash	\$ 153,211
Accounts Receivables-Trade	310,081
Inventory	329,630
Prepaid Insurance/Vendors	3,442
Total Current Assets	<u>796,363</u>
Fixed Assets	
Product Testing	256,417
Property Plant & Equipments	310,234
Net of Depreciation (\$)	(148,832)
Total Fixes Assets	<u>417,819</u>
Other Assets	
Deferred Tax	837,672
Patents	233,623
Valuation Allowance	(837,672)
Accumulated Amortiziation	(261,386)
Total Other Assets	<u>(27,763)</u>
TOTAL ASSETS	<u><u>\$ 1,186,419</u></u>
Liabilities & Stockholders Equity	
Current Liability	
Accounts Payable	\$ 160,980
Accrued Interest Payable	50,835
Notes Payable-Current Portion	35,910
Total Current Liablilites	<u>247,725</u>
Long-Term Debt	<u>1,084,293</u>
Total Liabilities	<u>1,332,018</u>
Stockholders Equity	
Additional Paid-In Capital	10,793,662
Captial Stock	582,311
Retained Earnings	(11,496,555)
Net Loss for 6 months	(25,017)
Total Equity	<u>(145,599)</u>
TOTAL LIABILITES & EQUITY	<u><u>\$ 1,186,419</u></u>

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CASH FLOW

June 30, 2016

Jan - Jun 30, 2016

OPERATING ACTIVITIES	
Net Loss	-25,017
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	8,235
Inventories: Inventory - Finished Goods	-155,112
Prepaid Expense	0
Prepaid Insurance	11,734
Accounts Payable	69,532
Payroll Liabilities	255
Sales Tax Payable	0
Accrued Interest Payable	12,381
Accrued Property Taxes	10,066
Net cash provided by Operating Activities	-67,926
INVESTING ACTIVITIES	
Product Development Testing	-46,869
Property & Equipment	-70,322
Accumulated Depreciation	25,794
Accumulated Amortization	-6,930
Net cash provided by Investing Activities	-98,327
FINANCING ACTIVITIES	
ShareHolder Loans	24,669
Additional paid-in capital	88,137
Capital Stock	3,072
Net cash provided by Financing Activities	115,878
Net cash increase for period	-50,375
Cash at beginning of period	204,010
Cash at end of period	153,635

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