

Laine's Bake Shop LLC

Balance Sheet - The Years Ended 2016 & 2017

Assets

Current Assets	2016	2017
Primary Business Checking	(\$606)	\$2,278
PayPal & Petty Cash	(\$549)	(\$2,104)
Accounts Receivable	\$7,304	\$4,681
Inventories (See Note 1)	\$3,355	\$12,542
Shopkeep Credit Transactions	\$137	(\$488)
Total Current Assets:	\$9,641	\$16,909

Fixed Assets	2016	2017
Computer Equipment	\$0	\$54
Kitchen Equipment	\$23,269	\$21,858
Office Equipment	\$525	\$863
Start Up Costs - S. Holland	\$8,920	\$8,920
LESS:		
Accumulated Depreciation	\$1,765	\$5,295
Net PP&E:	\$30,949	\$26,400

Other Assets	2016	2017
Net Other Assets:	\$0	\$0

Total Assets:	\$40,590	\$43,309
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Liabilities and Equities

Current Liabilities	2016	2017
Sales Tax Payable	\$4,142	\$3,817
Square Capital	\$1,385	\$145
Payroll Tax Liabilities	\$0	\$785
Total Current Liabilities:	\$5,527	\$4,747

Long Term Liabilities:	2016	2017
Accion Loan (Note 2)	\$8,155	\$4,798
Central Savings Loan (Note 3)	\$22,088	\$18,855
Kiva Zip - Loan (Note 4)	\$1,043	\$8,334
Total Long Term Liabilities:	\$31,286	\$31,987

Equity	2016	2017
Additional Paid In Capital	\$28,219	\$28,219
Beginning Retained Earnings	(\$21,035)	(\$8,720)
Net Income	\$12,315	\$18,474
Owner's Distributions	(\$15,722)	(\$31,398)
Total Equity:	\$3,777	\$6,575

Total Liabilities & Equity	\$40,590	\$43,309
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Laine's Bake Shop LLC

Income Statement - Years Ending 2016 & 2017

Gross Sales		
	<u>2016</u>	<u>2017</u>
Catering	\$4,758	\$5,285
Wholesale Revenue	\$58,432	\$110,679
Corporate Gifts		\$3,400
Not for Profit		\$13,388
Retail Revenue	\$33,071	\$28,758
Less:		
Sales Discounts & Returns	\$929	\$1,369
Net Sales:	\$95,332	\$160,141

Cost of Services Sold		
	<u>2016</u>	<u>2017</u>
Food Manufacturing	\$30,208	\$45,978
Whole Foods Fees	\$0	\$577
Freight	\$64	\$168
Less:		
Refunds	\$0	\$0
Total Cost of Goods Sold:	\$30,272	\$46,723

Gross Profit	\$65,060	68.2%	\$113,418	70.8%
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Overhead Expenses		
	<u>2016</u>	<u>2017</u>
Salaries & Benefits	\$945	\$7,924
Office Expense	\$36,432	\$48,018
Marketing & Advertising	\$1,781	\$17,819
Professional Fees	\$4,682	\$5,467
Travel & Third Party	\$4,258	\$8,063
Miscellaneous Expenses	\$1,265	\$880

EBITDA	\$15,697	16.5%	\$25,247
Taxes			
Depreciation & Amortization	\$1,765		\$3,530
Interest Expense	\$1,617		\$3,243
Interest Income			

Net Income:	\$12,315	12.9%	\$18,474	11.5%
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Laine's Bake Shop

Cash Flow Statement For the Years Ending 2016 & 2017

Cash Flows from Operating Activities		
	2016	2017
Net Income (Loss)	\$12,315	\$18,474
Adjustments to reconcile net income (loss)		
Depreciation	\$1,765	\$3,530
Loss(Gain) on sale of assets		
(Increases) Decreases in		
Accounts Receivables	(\$5,866)	\$2,623
Inventories	(\$3,355)	(\$9,187)
Prepayments	(\$142)	\$142
Shopkeep Credit		
Transactions	(\$137)	\$625
Increases (Decreases) in		
Accounts payable	(\$250)	\$0
Discover Card	(\$1,830)	\$0
Sales Tax	\$2,742	(\$325)
Square Capital	\$1,385	(\$1,240)
Rent Payable	\$5,689	\$0
Total Adjustments:	\$1	(\$3,832)
Net Cash Provided by (Used by) Operating Activities:	\$12,316	\$14,642

Cash Flows from Investing Activities		
Equipment	(\$23,794)	\$1,411
Start Up Costs	(\$8,920)	\$0
Net Cash Provided by (Used by) Investing Activities:	(\$32,714)	\$1,411

Cash Flows form Financing Activities		
Changes in Notes	\$27,619	\$952
Changes in Equity	\$6,626	
Shareholder Loan		
Subordinated Debt		
Distributions	(\$15,666)	(\$15,676)
Net Cash Provided by (Used by) Financing Activities:	\$18,579	(\$14,724)

Net Change in Cash:	(\$1,819)	\$1,329
Cash, Beginning of Year:	\$664	(\$1,155)
Cash, End of Year:	(\$1,155)	\$174

Laine's Bake Shop LLC

Notes To the Financial Statements for the Years Ending 2016 & 2017

General Notes

- Note A:** Laine's Bake Shop was organized as an LLC in the state of Illinois in the year 2014 as a single member LLC. Rachel Bernier Green owns 100% of the issued and outstanding Units.
- Note B:** These financials have been compiled using the modified accrual basis of accounting.

Account Specific Notes

- Note 1:** Inventories for Laine's Bake Shop include both packaging goods (bags, boxes, etc.) as well as raw material food product. Inventories are handled on a first in first out methodology (FIFO).
- Note 2:** Accion was the underwriter of this loan and MB Financial was the lender. This loan was executed in February of 2016 and is a three year term loan bearing an interest rate of 9.25%. The principal loan balance was for \$10,416.
- Note 3:** Central Federal Savings provided this collateral backed loan to Laine's Bake Shop. This loan was executed in April of 2016 and is a five year term loan bearing an interest rate of 8.75%. The principal balance was for \$25,000.
- Note 4:** In June of 2017, Laine's Bake Shop was able to secure this loan from Kiva Zip. The loan is a three year term loan and is Interest free. The principal balance was for \$10,000.

