

All Financial Statements are GAAP compliant, prepared by our  
outside Accountant, and are Unaudited

**2017 INCOME STATEMENT**

Jan - Dec 17

Ordinary Income/Expense

Income

Net Shipping Income	18,231
Product Sales	874,624
Refunds/Allowances	<u>-5,283</u>

Total Income 887,572

Total COGS 823,443

Gross Profit 64,129

Expense

Interest Expense 59,877

Total Expense 573,058

Net Ordinary Income -508,929

Other Income/Expense

Other Income

Total Other Income 61,852

Other Expense

Depreciation 146,658

Total Other Expense 146,658

Net Other Income -84,807

Net Income -593,736

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2017 BALANCE SHEET

Dec 31, 17

ASSETS

Current Assets

Checking/Savings

00500 · PayPal Bank Account 230.97

Total Checking/Savings 230.97

Accounts Receivable

00900 · Accounts Receivable 13,374.51

Total Accounts Receivable 13,374.51

Other Current Assets

05700 · Inventory (WIP) 72,159.55

06000 · Shipping & Packing Supplies -1,180.47

05800 · Prepaid Expenses 21,446.00

Total Other Current Assets 92,425.08

Total Current Assets 106,030.56

Fixed Assets

02200 · Computer Software & Equipment 16,408.58

02100 · Accum Depr - Computer & Equip -11,019.95

02400 · Furniture & Fixtures 6,444.41

02300 · Accum. Dep - Furniture/Fixtures -3,761.91

02500 · Leasehold Improvements

02599 · Accum Depr. - Leasehold Imprv -226,954.74

02500 · Leasehold Improvements - Other 604,132.73

Total 02500 · Leasehold Improvements 377,177.99

03000 · Machinery & Equipment

04300 · Accum Depr - M&E -360,467.78

03400 · Hank Hydro-Extractor (16) 31,760.00

03600 · RF Systems 40KW RF Dryer (16) 81,000.00

03700 · Fadis D-SW Sincro hank to cone 75,575.00

04000 · Laboratory Beaker Dye Test Mach 14,399.00

04100 · Datacolor Spectrophotometer (16) 34,000.00

04200 · Package Hydro-Extractor (16) 35,888.00

03000 · Machinery & Equipment - Other 393,879.40

Total 03000 · Machinery & Equipment 306,033.62

Total Fixed Assets 691,282.74

Other Assets

05200 · Loan Acquisition Costs 8,791.00

04700 · Accum. Amort. - Loan Acq. Costs -1,230.00

05101 · Registered Marks 4,167.00

04800 · Accum. Amort (Registered Marks) -717.80

Total Other Assets 11,010.20

TOTAL ASSETS 808,323.50

LIABILITIES & EQUITY

**Liabilities****Current Liabilities****Accounts Payable**

08600 · Accounts Payable 225,566.33

Total Accounts Payable 225,566.33

**Other Current Liabilities**

10501 · Security Deposit Pay 20,018.75

**Promissory Notes**

Carolyn Broc 100,000.00

Susan Scher 25,000.00

Promissory I 4,002.05

Total Promissory Notes 129,002.05

10000 · TPL Financials 74,307.00

Total Other Current Liabilities 223,327.80

Total Current Liabilities 448,894.13

**Long Term Liabilities**

10700-2 · CEI - 6431 Note Payable 45,000.00

10701 · BSB Comm Adj Loan - 8819 24,819.00

10800 · Note Payable - Keely Electrical 47,000.00

10900 · Note Payable - MB Mechanical Co 32,470.00

10400 · Due to K. Raessler 23,221.55

**10600 · Note Payable - BSAEDC**

10670 · Note Payable - BSAE 22,366.00

10660 · Note Payable - BSAE 113,051.00

10610 · Note Payable - BSAE 39,040.00

10630 · Note Payable - BSAE 200,000.00

10640 · Note Payable - BSAE 99,420.70

Total 10600 · Note Payable - BSAEDC 473,877.70

10500 · Bangor Savings SBA - 0234 251,345.00

10700 · CEI Note Payable - 6200 144,860.00

11000 · Note Payable - MTI Development 223,000.00

Total Long Term Liabilities 1,265,593.25

Total Liabilities 1,714,487.38

**Equity**

Lavone Simmons - Equity 75,000.00

John Cronin - Equity 200,000.00

01700 · KLR - Contributions 1,170,395.10

01900 · Retained Earnings #####

Net Income -593,735.70

Total Equity -906,163.88

**TOTAL LIABILITIES & EQUITY 808,323.50**

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**2017 CASH FLOW STATEMENT**

**Jan - Dec 17**

OPERATING ACTIVITIES

Net Income	-593,735.70
Adjustments to reconcile Net Income to net cash provided by operations:	
00900 · Ac	8,672.76
05500 · Fai	8,130.98
05700 · Inv	-78,374.20
06000 · Sh	1,180.47
08600 · Ac	61,731.82
01000 · An	-9,780.37
01200 · Ba	-71,354.44
Promisory	100,000.00
Promisory	-5,000.00
Promisory	4,002.05
10000 · TP	15,799.08
09300 · LO	-6,774.88
08800 · Cu	2,734.00
09601 · Un	-309.85

Net cash provided by Operating / -563,078.28

INVESTING ACTIVITIES

02100 · Accum Depr ·	2,076.00
02400 · Furniture & Fi	1,595.00
02500 · Leasehold Imj	-4,594.47
02500 · Leasehold Imj	38,058.00
02500 · Leasehold Imj	6,884.97
03000 · Machinery &	104,208.00
03000 · Machinery &	-3,800.00

Net cash provided by Investing A 144,427.50

FINANCING ACTIVITIES

10700-2 · CEI - 6431 N	45,000.00
10701 · BSB Comm Ac	24,819.00
10800 · Note Payable	-45,217.74
10900 · Note Payable	4,999.42
10400 · Due to K. Rae:	7,721.55
10600 · Note Payable	-89,119.39
10600 · Note Payable	-1,662.72
10600 · Note Payable	2,609.97
10600 · Note Payable	-8,841.06
10600 · Note Payable	-6,959.86
10600 · Note Payable	-2,739.94

10500 · Bangor Saving	-4,450.49
10700 · CEI Note Paya	8,787.70
11000 · Note Payable	-15,538.72
Lavone Simmons - Eqt	75,000.00
John Cronin - Equity	200,000.00
01800 · Opening Balar	147,353.98
01700 · KLR - Contribu	148,843.38
Net cash provided by Financing A	490,605.08
Net cash increase for period	71,954.30
Cash at beginning of period	-71,723.33
Cash at end of period	230.97

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**CHANGES IN SHAREHOLDER'S EQUITY**

**2017**

**MAINE DYE & TEXTILES**

Beginning capital balance	-884031
+ Income earned during the period	
- Losses incurred during the period	592792
+ Owner contributions during the period	423843
- Owner draws during the period	
	-1,052,980

Maine Textiles International, LLC (the “Company”) is a limited liability company organized to do business on April 19, 2012 under the State of Maine’s limited liability statute. The Company is licensed and holds the necessary permits to operate a wet textile processing facility supporting the textile manufacturing industry in the USA.

The Company commenced full-scale operations on September 1, 2012 providing B2B dyeing services to the artisan and craft markets with a focus on natural fiber yarns. This initial start-up was supported with additional investments in 2016 for equipment and the upgrade of a larger manufacturing plant to support its strategy of moving into the business of dyeing synthetic yarns (nylon and polyester) for industrial applications. This equipment started commercializing its initial research and development into production and expanding into the industrial markets as of September 2017.

The Company invested both equity and debt in this startup and expansion of its business to the extent that it is now short on working capital. The Company is dependent on and requires additional capital resources for the further growth of its business so that it can move past the breakeven point and become a profitable operation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company considers all highly liquid securities with an original maturity of less than three months to be cash equivalents. The Company’s cash and cash equivalents in bank deposits at times, may exceed federally insured limits. The Company recognizes revenue when the product is shipped and invoiced to the customer and collection is reasonably assured.

In 2017 and with the addition of outside investors, the Company is now taxed as a partnership under federal and state law with any income subject to taxation at

applicable federal and state rates. Having completed its 2016 federal and state filings as single member limited liability company, an extension for the 2017 tax return was filed and completion of the 2017 return is pending. The return will be subject to inspection under strict confidentiality agreements until the end of the following fiscal year. The Company occupies offices and manufacturing space under a 19 year Lease. The Company has listed the detail of its debt and equity on the enclosed Balance Sheet for review.

In addition to providing commissioned dyeing services to other companies for both natural and synthetic yarns the Company sells its own product to the trade under the brand name Paternayan. This is one of the most recognized brands in several markets, including needlepoint and Persian rug design and repair and offers the potential for excellent future growth.

















