



Shred Soles L.L.C.

2018/2017 GAAP FINANCIALS

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Shred Soles L.L.C.

Unaudited Financial Statements For The Years Ended
December 31st, 2018 and 2017

August 7, 2019

SHRED SOLES
Balance Sheet
As of December 31, 2018

ASSETS	
Current Assets	
Cash	5,474.14
Accounts Receivable	0.00
Inventory	73,525.67
Prepaid Expenses	0.00
Total	78,999.81
TOTAL ASSETS	78,999.81
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Loans	
Short-Term Notes	13,929.41
Long-Term Debt	6,371.25
Total Current Liabilities	20,300.66
OWNER'S EQUITY	
Paid-in Capital	25,750.98
Net Income	32,948.17
Total Equity	58,699.15
TOTAL LIABILITIES & EQUITY	78,999.81

SHRED SOLES
Profit & Loss
January through December 2018

Ordinary Income/Expense	
Income	
Marketing- Events	227.39
Sales	
Amazon	93,383.07
Sales - Other	31,127.61
Total Sales	124,510.68
Total Income	124,738.07
Expense	
Cost of Goods	34,502.08
Advertising and Promotions	15,862.18
Bank Service Charges	48,124.46
Dues and Subscriptions	140.99
Insurance	733.52
Legal and Professional Fees	4,392.00
Marketing-Events	3,363.58
Postage and Delivery	3,523.24
Printing and Reproduction	375.03
Shipping	93.15
Supplies and Materials	28.30
Taxes	1,047.00
Travel	4.85
Utilities	785.88
Web Hosting	54.32
Total Expense	113,030.58
Net Ordinary Income	11,707.49
Other Income/Expense	
Other Income	
Other Miscellaneous Income	2348.11
Total Other Income	2348.11
Other Expense	
Other Expenses	3,195.07
Total Other Expense	3,195.07
Net Other Income	-106.16
Net Income	10,754.37

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SHRED SOLES
Statement of Cash Flows
January through December 2018

	<u>Jan - Dec 18</u>
OPERATING ACTIVITIES	
Net Income	32,948.17
Adjustments to reconcile Net Income to net cash provided by operations:	
Inventory	-40,648.20
Line of Credit	11,402.41
Line of Credit #2	2,527.00
Loan-SBA	-6,371.25
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Net cash provided by Operating Activities	-141.87
FINANCING ACTIVITIES	
Owner's Capital	-807.33
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Net cash provided by Financing Activities	-807.33
Net cash increase for period	-949.20
Cash at beginning of period	6,171.59
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Cash at end of period	<u><u>5,222.39</u></u>

SHRED SOLES
Balance Sheet
As of December 31, 2017

ASSETS	
Current Assets	
Cash	6,171.59
Accounts Receivable	0.00
Inventory	<u>32,877.47</u>
Total	39,049.06
TOTAL ASSETS	<u>39,049.06</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Loans	
Short-Term Notes	0.00
Long-Term Notes	<u>6,319.92</u>
Total Current Liabilities	<u>6,319.92</u>
OWNER'S EQUITY	
Paid-in Capital	14,903.04
Net Income	<u>17,826.10</u>
Total Equity	<u>32,729.14</u>
TOTAL LIABILITIES & EQUITY	<u>39,049.06</u>

SHRED SOLES
Profit & Loss
January through December 2017

Ordinary Income/Expense	
Income	
Marketing- Events	5,310.00
Sales	
Amazon	53,461.75
Sales - Other	16,742.73
Total Sales	70,204.48
Total Income	75,514.48
Expense	
Cost of Goods	14,509.00
Advertising and Promotions	6,658.52
Bank Service Charges	28,528.68
Dues and Subscriptions	170.51
Insurance	1,681.12
Legal and Professional Fees	750.00
Marketing-Events	42.00
Rent	7,800.00
Shipping	4,924.16
Telephone	2,012.10
Utilities	300.00
Web Hosting	535.70
Website Design	81.00
Total Expense	67992.79
Net Ordinary Income	7521.69
Other Income/Expense	
Other Income	
Other Miscellaneous Income	2,300.74
Total Other Income	2,300.74
Other Expense	
Other Expenses	292.66
Total Other Expense	292.66
Net Other Income	2,008.08
Net Income	9529.77

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SHRED SOLES
Statement of Cash Flows
January through December 2017

	<u>Jan - Dec 17</u>
OPERATING ACTIVITIES	
Net Income	19,364.88
Adjustments to reconcile Net Income to net cash provided by operations:	
Inventory	-13,250.52
Loan-SBA	-6,319.92
Start-up Loan	-9,093.26
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Net cash provided by Operating Activities	-9,298.82
FINANCING ACTIVITIES	
Owner's Capital	13,045.41
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Net cash provided by Financing Activities	13,045.41
Net cash increase for period	3,746.59
Cash at beginning of period	2,425.00
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Cash at end of period	<u><u>6,171.59</u></u>

SHRED SOLES L.L.C.
NOTES FINANCIAL STATEMENTS (UNAUDITED)
DECEMBER 31, 2018 AND 2017

NOTE A- ORGANIZATION AND NATURE OF ACTIVITIES

Shred Soles L.L.C. ("the Company") is a corporation formed under the laws of the State of Pennsylvania.

The Company derives revenue from the design and manufacture of action sports related insoles and accessories.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

NOTE C- OUTSTANDING INDEBTEDNESS

Current status of loans

Kickfurther – Raised \$7,773 of short term debt to partially fund the first skateboarding insole in July of 2016. Paid in full as of August 2017.

Community First Fund – Raised \$25,000 of long term debt to partially fund the first skateboarding insole. \$11,662.96 remaining principal plus interest as of August 1st, 2019. Note fully matures on June 15th 2021.

OnDeck- Raised \$15,000 of short term debt (credit line) to fund inventory repurchases. \$3092.26 remaining principal plus interest as of August 1st, 2019