

# **Scrubbed Reporting - Southcott Threads LLC**

**Management Report**

2018-08-31

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**Balance Sheet  
as of August 2018**

|  | Mar 2018       | May 2018       | May 2018       | Jul 2018       | Jul 2018       | Aug 2018       |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                            |                |                |                |                |                |                |
| <b>Current Assets</b>                    |                |                |                |                |                |                |
| <b>Cash</b>                              |                |                |                |                |                |                |
| Cash on hand                             | 73             | 73             | 73             | 313            | 313            | 157            |
| Checking (6426)                          | 163,878        | 301,932        | 301,932        | 196,686        | 196,686        | 100,031        |
| USD PayPal                               | 9,884          | 6,199          | 6,199          | 5,423          | 5,423          | 2,019          |
| Venmo                                    | 0              | 0              | 0              | 0              | 0              | 724            |
| <b>Total Cash</b>                        | <b>173,835</b> | <b>308,204</b> | <b>308,204</b> | <b>202,422</b> | <b>202,422</b> | <b>102,931</b> |
| <b>Inventories</b>                       |                |                |                |                |                |                |
| Finished Product                         | 289,942        | 274,398        | 274,398        | 313,228        | 313,228        | 131,682        |
| Raw Material                             | 39,873         | 94,884         | 94,884         | 88,145         | 88,145         | 31,161         |
| Work in Process (WIP)                    | -0             | 3,277          | 3,277          | 61             | 61             | 4,511          |
| <b>Total Inventories</b>                 | <b>329,815</b> | <b>372,559</b> | <b>372,559</b> | <b>401,434</b> | <b>401,434</b> | <b>167,354</b> |
| <b>Other Current Assets</b>              |                |                |                |                |                |                |
| Undeposited Funds (DEAR)                 | 6,994          | -2,778         | -2,778         | 8,658          | 8,658          | 3,799          |
| Vendor Credit                            | 1,409          | 1,917          | 1,917          | 2,042          | 2,042          | 1,021          |
| <b>Total Other Current Assets</b>        | <b>8,403</b>   | <b>-861</b>    | <b>-861</b>    | <b>10,700</b>  | <b>10,700</b>  | <b>4,820</b>   |
| <b>Total Current Assets</b>              | <b>512,053</b> | <b>679,902</b> | <b>679,902</b> | <b>614,556</b> | <b>614,556</b> | <b>275,105</b> |
| <b>Non-current Assets</b>                |                |                |                |                |                |                |
| <b>Property, Plant and Equipment</b>     |                |                |                |                |                |                |
| Furniture and Fixtures                   | 9,965          | 9,965          | 9,965          | 9,965          | 9,965          | 4,983          |
| Accumulated Depreciation                 | -2,357         | -2,553         | -2,553         | -2,750         | -2,750         | -1,424         |
| <b>Net Property, Plant and Equipment</b> | <b>7,412</b>   | <b>7,412</b>   | <b>7,412</b>   | <b>7,215</b>   | <b>7,215</b>   | <b>3,559</b>   |
| Security Deposits                        | 3,497          | 3,497          | 3,497          | 3,497          | 3,497          | 1,748          |
| <b>Total Non-current Assets</b>          | <b>11,105</b>  | <b>10,909</b>  | <b>10,909</b>  | <b>10,712</b>  | <b>10,712</b>  | <b>5,307</b>   |
| <b>Total Assets</b>                      | <b>523,159</b> | <b>690,811</b> | <b>690,811</b> | <b>625,269</b> | <b>625,269</b> | <b>280,412</b> |
| <b>Liabilities and Equity</b>            |                |                |                |                |                |                |
| <b>Liabilities</b>                       |                |                |                |                |                |                |
| <b>Current Liabilities</b>               |                |                |                |                |                |                |
| Accounts Payable (A/P)                   | 0              | -160           | -160           | 33,137         | 33,137         | 16,002         |
| Amex                                     | 30,516         | 84,954         | 84,954         | 68,334         | 68,334         | 53,010         |
| Customer Credits Outstanding             | 1,419          | 1,165          | 1,165          | 5,643          | 5,643          | 3,378          |
| Taxes Liabilities                        | 5,759          | 6,422          | 6,422          | 7,536          | 7,536          | 2,025          |
| <b>Total Current Liabilities</b>         | <b>37,694</b>  | <b>92,381</b>  | <b>92,381</b>  | <b>114,649</b> | <b>114,649</b> | <b>74,415</b>  |
| <b>Total Liabilities</b>                 | <b>37,694</b>  | <b>92,381</b>  | <b>92,381</b>  | <b>114,649</b> | <b>114,649</b> | <b>74,415</b>  |
| <b>Equity</b>                            |                |                |                |                |                |                |
| Amy Graham                               | 300,526        | 396,567        | 396,567        | 372,387        | 372,387        | 186,170        |
| Current Year Earnings                    | 77,123         | 88,142         | 88,142         | 43,406         | 43,406         | -3,712         |
| Retained Earnings                        | 168,312        | 168,312        | 168,312        | 168,312        | 168,312        | 84,156         |
| <b>Total Equity</b>                      | <b>545,961</b> | <b>653,020</b> | <b>653,020</b> | <b>584,105</b> | <b>584,105</b> | <b>266,615</b> |
| <b>Total Liabilities and Equity</b>      | <b>583,654</b> | <b>745,401</b> | <b>745,401</b> | <b>698,753</b> | <b>698,753</b> | <b>341,029</b> |

# Budget Summary

| Account      | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross Profit | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Gross Profit | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Total        | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Expenses     |        |        |        |        |        |        |        |        |        |        |        |        |
| Total        | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Expenses     |        |        |        |        |        |        |        |        |        |        |        |        |
| Net Profit   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |
| Net Profit   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   | 0.00   |



## Trial Balance

| Account Type | Account                | Debit    | Credit   | YTD Debit | YTD Credit |
|--------------|------------------------|----------|----------|-----------|------------|
| Revenue      | Other Ordinary         | -        | 196.00   | -         | 196.00     |
|              | Income (471)           |          |          |           |            |
| Revenue      | Sales (400)            | -        | 61770.55 | -         | 526173.85  |
| Revenue      | Sales of Product       | -        | 28324.00 | -         | 28324.00   |
|              | Income - DEAR (408)    |          |          |           |            |
| Revenue      | Sales of Product       | -        | 7237.59  | -         | 8900.09    |
|              | Income - DEAR          |          |          |           |            |
|              | (DEAR) (58)            |          |          |           |            |
| Expenses     | Accounting (625)       | 1750.00  | -        | 8725.00   | -          |
| Expenses     | Bad Debts (690)        | 0.00     | -        | -         | 0.02       |
| Expenses     | Bank Charges (626)     | -        | 2.10     | 174.90    | -          |
| Expenses     | Charitable Donation    | 0.00     | -        | 678.00    | -          |
|              | (601)                  |          |          |           |            |
| Expenses     | Commissions (602)      | 5721.54  | -        | 45091.77  | -          |
| Expenses     | Computer and           | 177.47   | -        | 1958.05   | -          |
|              | Internet (627)         |          |          |           |            |
| Expenses     | Consulting (629)       | 0.00     | -        | 24225.00  | -          |
| Expenses     | Cost of Goods Sold     | 1115.32  | -        | 153941.14 | -          |
|              | (500)                  |          |          |           |            |
| Expenses     | Cost of Goods Sold -   | 37353.94 | -        | 68908.03  | -          |
|              | DEAR (501)             |          |          |           |            |
| Expenses     | Cost of Goods Sold -   | 620.11   | -        | 8591.53   | -          |
|              | Variance (513)         |          |          |           |            |
| Expenses     | Depreciation (700)     | 49.13    | -        | 393.04    | -          |
| Expenses     | Dues and               | 63.96    | -        | 1636.25   | -          |
|              | Subscriptions (676)    |          |          |           |            |
| Expenses     | Freight In (606)       | -        | 62.53    | 408.28    | -          |
| Expenses     | Freight Out (504)      | 1815.88  | -        | 11761.34  | -          |
| Expenses     | Gifts (607)            | 0.00     | -        | 108.25    | -          |
| Expenses     | Insurance (634)        | 0.00     | -        | 1745.11   | -          |
| Expenses     | Inventory Shrinkage -  | 14481.98 | -        | 16606.66  | -          |
|              | DEAR (DEAR) (84)       |          |          |           |            |
| Expenses     | Legal and              | 0.00     | -        | 1970.00   | -          |
|              | Professional Fees      |          |          |           |            |
|              | (630)                  |          |          |           |            |
| Expenses     | Marketing (610)        | 9147.54  | -        | 23520.39  | -          |
| Expenses     | Meals and              | 894.08   | -        | 2506.60   | -          |
|              | Entertainment (611)    |          |          |           |            |
| Expenses     | Miscellaneous (701)    | 103.12   | -        | 282.20    | -          |
| Expenses     | Office Supplies (631)  | 561.59   | -        | 8023.83   | -          |
| Expenses     | PayPal Fees (615)      | 1816.07  | -        | 11427.72  | -          |
| Expenses     | Product Development    | 5812.24  | -        | 56883.57  | -          |
|              | (DEAR) (97)            |          |          |           |            |
| Expenses     | Production (DEAR)      | 17293.03 | -        | -         | 462.47     |
|              | (98)                   |          |          |           |            |
| Expenses     | Promotional (617)      | 3476.40  | -        | 12943.37  | -          |
| Expenses     | Rent Expense (687)     | 2996.94  | -        | 13486.23  | -          |
| Expenses     | Repair and             | 0.00     | -        | 124.49    | -          |
|              | Maintenance (664)      |          |          |           |            |
| Expenses     | Shopify fees (618)     | 511.74   | -        | 698.50    | -          |
| Expenses     | Show Fees (619)        | 4901.06  | -        | 21901.06  | -          |
| Expenses     | Software Subscription  | 52.72    | -        | 417.38    | -          |
|              | (621)                  |          |          |           |            |
| Expenses     | Stationery and         | 216.40   | -        | 227.18    | -          |
|              | Printing (656)         |          |          |           |            |
| Expenses     | Subcontractors (623)   | 384.00   | -        | 14869.01  | -          |
| Expenses     | Supplies & Materials - | 0.00     | -        | -         | 5489.90    |
|              | COGS (512)             |          |          |           |            |
| Expenses     | Supplies and           | 0.00     | -        | 5489.90   | -          |
|              | Materials - COGS       |          |          |           |            |
|              | (DEAR) (32)            |          |          |           |            |
| Expenses     | Taxes (674)            | 837.62   | -        | 3689.92   | -          |
| Expenses     | Telephone (689)        | 41.58    | -        | 509.71    | -          |
| Expenses     | Travel (684)           | 1518.87  | -        | 7784.76   | -          |
| Expenses     | Travel Meals (685)     | 0.00     | -        | 1001.88   | -          |
| Expenses     | Utilities (644)        | 75.72    | -        | 660.24    | -          |



|             |  |           |           |           |           |
|-------------|--|-----------|-----------|-----------|-----------|
| Expenses    | Wages (686)                                | 9217.50   | -         | 38323.38  | -         |
| Expenses    | Website (683)                              | 0.00      | -         | 1564.43   | -         |
| Assets      | Accounts Receivable (A/R) (120)            | 23875.37  | -         | 60617.58  | -         |
| Assets      | Accumulated Depreciation (154)             | -         | 49.13     | -         | 1424.03   |
| Assets      | Amex (108)                                 | -         | 18842.79  | -         | 39802.97  |
| Assets      | Cash on hand (106)                         | 0.00      | -         | 156.50    | -         |
| Assets      | Checking (6426) (107)                      | 1688.00   | -         | 100031.19 | -         |
| Assets      | Finished Product - Dear (141)              | 0.00      | -         | 125428.78 | -         |
| Assets      | Finished Product - DEAR (DEAR) (92)        | -         | 24306.24  | 30503.00  | -         |
| Assets      | Furniture and Fixtures (153)               | 0.00      | -         | 4982.63   | -         |
| Assets      | Inventory Asset (DEAR) (60)                | -         | 625.98    | -         | 24250.04  |
| Assets      | Raw Material (142)                         | 0.00      | -         | 42335.00  | -         |
| Assets      | Raw Material (DEAR) (90)                   | -         | 12911.80  | -         | 11174.34  |
| Assets      | Security Deposits (131)                    | 0.00      | -         | 1748.46   | -         |
| Assets      | Undeposited Funds (DEAR) (4)               | -         | 530.30    | 3798.83   | -         |
| Assets      | USD PayPal (104)                           | -         | 692.74    | 2018.74   | -         |
| Assets      | Vendor Credit (113)                        | 0.00      | -         | 1021.11   | -         |
| Assets      | Venmo (xxxx)                               | 724.38    | -         | 724.38    | -         |
| Assets      | Work in Process (WIP) (DEAR) (116)         | 4481.02   | -         | 4511.41   | -         |
| Liabilities | Accounts Payable (A/P) (200)               | 566.84    | -         | -         | 16001.56  |
| Liabilities | Amex (DEAR) (99)                           | -         | 0.00      | -         | 13206.69  |
| Liabilities | Customer Credit Clearing (103)             | -         | 789.00    | -         | 789.00    |
| Liabilities | Customer Credits (DEAR) (125)              | -         | 0.00      | -         | 163.25    |
| Liabilities | Customer Credits Outstanding - DEAR (201)  | 232.00    | -         | -         | 2426.00   |
| Liabilities | Federal Taxes (941/944) (217)              | 1736.58   | -         | -         | 0.00      |
| Liabilities | Federal Unemployment (940) (218)           | 81.23     | -         | -         | 0.00      |
| Liabilities | Notes Payable (203)                        | -         | 0.00      | -         | 30000.00  |
| Liabilities | Sales Tax (220)                            | -         | 515.54    | -         | 4731.45   |
| Liabilities | Texas Comptroller of Public Accounts (222) | 364.06    | -         | 2706.26   | -         |
| Liabilities | TX Unemployment Tax (219)                  | 76.26     | -         | -         | 0.00      |
| Equity      | Amy Graham (301)                           | 23.00     | -         | -         | 158464.53 |
| Equity      | Opening Balance Equity (302)               | -         | 0.00      | 2294.11   | -         |
| Equity      | Retained Earnings (320)                    | -         | 0.00      | -         | 84155.89  |
|             | Total                                      | 156856.29 | 156856.29 | 956136.08 | 956136.08 |

## Balance Sheet

| Section                   | Account                      | Amount    | YTD  |
|---------------------------|------------------------------|-----------|------|
| Cash and Cash Equivalents | Cash on hand                 | 156.50    | 0.00 |
| Cash and Cash Equivalents | Checking (6426)              | 100031.19 | 0.00 |
| Cash and Cash Equivalents | USD PayPal                   | 2018.74   | 0.00 |
| Cash and Cash Equivalents | Venmo                        | 724.38    | 0.00 |
| Inventories               | Finished Product             | 131681.74 | 0.00 |
| Inventories               | Raw Material                 | 31160.66  | 0.00 |
| Inventories               | Work in Process (WIP)        | 4511.41   | 0.00 |
| Other Current Assets      | Undeposited Funds (DEAR)     | 3798.83   | 0.00 |
| Other Current Assets      | Vendor Credit                | 1021.11   | 0.00 |
| Non-Current Assets        | Accumulated Depreciation     | -1424.03  | 0.00 |
| Non-Current Assets        | Furniture and Fixtures       | 4982.63   | 0.00 |
| Non-Current Assets        | Security Deposits            | 1748.46   | 0.00 |
| Current Liabilities       | Accounts Payable (A/P)       | 16001.56  | 0.00 |
| Current Liabilities       | Amex                         | 53009.66  | 0.00 |
| Current Liabilities       | Customer Credits Outstanding | 3378.25   | 0.00 |
| Current Liabilities       | Taxes Liabilities            | 2025.19   | 0.00 |
| Equity                    | Amy Graham                   | 186170.42 | 0.00 |
| Equity                    | Current Year Earnings        | -3711.77  | 0.00 |
| Equity                    | Retained Earnings            | 84155.89  | 0.00 |

Profit and Lost

| Section                             | Account | Amount  | YTD |
|-------------------------------------|---------|---------|-----|
| Revenue                             | Sales   | 240.00  |     |
| General and Administrative expenses | Taxes   | 235.05  |     |
| General and Administrative expenses | Wages   | 3072.50 |     |



