

Consolidated Balance Sheet

August 31, 2023, 2022, and 2021

	2023	2022	2021
Assets			
Current Assets			
Cash	\$ 300,282	\$ -	\$ -
Trade accounts receivable - Net of allowance for doubtful accounts of \$802,052 as of August 31, 2023; \$806,505 as of August 31, 2022; and \$730,491 as of August 31, 2021	13,122,237	11,768,982	8,464,012
Inventories	34,292,891	37,787,374	27,014,227
Prepaid expenses and other	384,264	923,920	676,677
Total current assets	48,099,674	50,480,276	36,154,916
Property, Plant, and Equipment - Net of accumulated depreciation	11,550,302	12,197,148	11,447,963
Right-of-use Operating Lease Assets (Note 10)	19,947,263	-	-
Noncurrent Assets	224,187	113,097	113,097
Total assets	\$ 79,821,426	\$ 62,790,521	\$ 47,715,976
Liabilities and Stockholders' Equity			
Current Liabilities			
Checks issued in excess of funds held on deposit	\$ 4,711,179	\$ 3,442,924	\$ 2,016,197
Accounts payable	5,593,784	6,274,099	4,673,664
Line of credit	8,295,243	14,673,439	6,224,907
Current maturities of long-term debt	1,695,133	1,508,598	1,205,877
Current portion of lease liabilities - Operating (Note 10)	2,825,733	-	-
Accrued sales rebates	8,237,667	5,933,223	3,395,011
Accrued liabilities	2,283,798	2,269,467	2,404,802
Total current liabilities	33,642,537	34,101,750	19,920,458
Long-term Debt - Net of current portion	1,897,311	3,105,587	5,170,660
Lease Liabilities - Operating (Note 10)	17,615,392	-	-
Deferred Tax Liability	1,428,637	1,384,668	1,165,626
Total liabilities	54,583,877	38,592,005	26,256,744
Stockholders' Equity			
Common stock, \$0.01 par value; 15,000,000 shares authorized; 5,292,780 issued; 4,021,263 outstanding as of August 31, 2023, 2022, and 2021	52,928	52,928	52,928
Additional paid-in capital	6,353,656	6,353,656	6,353,656
Retained earnings	20,190,250	19,151,217	16,411,933
Treasury stock (1,271,517 shares as of August 31, 2023, 2022, and 2021, at cost)	(1,359,285)	(1,359,285)	(1,359,285)
Total stockholders' equity	25,237,549	24,198,516	21,459,232
Total liabilities and stockholders' equity	\$ 79,821,426	\$ 62,790,521	\$ 47,715,976

Impreso, Inc. and Subsidiaries**Consolidated Statement of Operations****Years Ended August 31, 2023, 2022, and 2021**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Sales	\$ 143,720,176	\$ 112,359,993	\$ 98,484,108
Cost of Sales	<u>122,302,142</u>	<u>98,906,594</u>	<u>86,950,647</u>
Gross Profit	21,418,034	13,453,399	11,533,461
Selling, General, and Administrative Expense	<u>19,043,511</u>	<u>11,781,155</u>	<u>10,374,135</u>
Operating Income	2,374,523	1,672,244	1,159,326
Nonoperating Income (Expense)			
Other income - Net	249,293	58,713	1,084,414
Interest expense	(1,042,472)	(444,618)	(304,727)
Gain from PPP debt forgiveness	<u>-</u>	<u>2,000,000</u>	<u>2,410,300</u>
Total nonoperating (expense) income	<u>(793,179)</u>	<u>1,614,095</u>	<u>3,189,987</u>
Income - Before income taxes	1,581,344	3,286,339	4,349,313
Income Tax Expense	<u>542,311</u>	<u>547,055</u>	<u>305,301</u>
Consolidated Net Income	<u><u>\$ 1,039,033</u></u>	<u><u>\$ 2,739,284</u></u>	<u><u>\$ 4,044,012</u></u>

Impreso, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended August 31, 2023, 2022, and 2021

	2023	2022	2021
Cash Flows from Operating Activities			
Net income	\$ 1,039,033	\$ 2,739,284	\$ 4,044,012
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,402,940	982,424	802,182
Gain on disposal of property and equipment	(15,489)	-	-
Deferred income tax expense	43,969	219,042	678,772
Noncash lease adjustment	493,862	-	-
Changes in operating assets and liabilities that (used) provided cash:			
Accounts receivable	(1,353,255)	(3,304,970)	(1,319,203)
Inventories	3,494,483	(10,773,147)	(7,627,416)
Prepaid expenses and other	428,566	(247,243)	(323,837)
Accounts payable	(680,315)	1,600,435	(1,184,499)
Accrued liabilities	1,775,805	2,233,929	(111,847)
Net cash provided by (used in) operating activities	6,629,599	(6,550,246)	(5,041,836)
Cash Flows Used in Investing Activities - Additions to property, plant, and equipment	(197,635)	(1,562,661)	(1,283,808)
Cash Flows from Financing Activities			
Checks issued in excess of funds on deposit	1,268,255	1,426,727	529,105
Borrowings on line of credit	143,065,255	126,239,465	113,034,405
Payments on line of credit	(149,443,451)	(117,790,933)	(109,287,427)
Borrowings on debt	251,790	1,438,429	4,962,073
Payments on debt	(1,273,531)	(3,200,781)	(2,912,512)
Net cash (used in) provided by financing activities	(6,131,682)	8,112,907	6,325,644
Net Change in Cash	300,282	-	-
Cash - Beginning of year	-	-	-
Cash - End of year	\$ 300,282	\$ -	\$ -