Southern Home Medical, Inc.
Consolidated Profit and Loss
January through March 2015

Income	
Gross Receipts	222,983
Total Gross Receipts	222,983
Total Income	222,983
Cost of Goods Sold	
Cost of Goods Sold	
Medical Equipment and Supplies	6,688
Total Cost of Goods Sold	6,688
Total COGS	6,688
Gross Profit	**216,295**
Expense	
Administrative Support	2,204
Automobile Expense	6,352
Background Consent Expense	304
Bad Debt Expense	0
Bank Service Charges	15
Business Licenses and Permits	217
Charitable Contributions	2,353
Computer and Internet Expense	1,434
Employee Opportunities	432
EMSI Office Expenses	6,331
Insurance Expense	5,254
Marketing	5,979
Office Supplies	1,030
Overpayment Expense	515
Payroll Expenses	131,433
Referral Fees	50
Postage and Delivery	257
Printing and Reproduction	2,105
Professional Fees	6,657
Rent Expense	2,997
Repairs & Maintenance	2,208
Respiratory Care Program	0
Shipping & Freight	6
Supplies	30
Taxes	2,026
Telephone	1,231
Travel & Entertainment	4,613
Utilities	1,070
Total Expense	**187,103**
Other Income	
Interest Income	4
Total Other Income	4
Net Income	**29,196**

Southern Home Medical, Inc.
Consolidated Balance Sheet
March 31, 2015

ASSETS	
Current Assets	
Checking/Savings	
Cash	47,361
Total Checking/Savings	47,361
Other Current Assets	
Accounts Receivable	188,525
Notes Receivable	96,594
Total Other Current Assets	285,118
Total Current Assets	332,479
Fixed Assets	
Accumulated Depreciation	-132,815
Fitness Equipment	15,000
Furniture and Fixtures	5,615
Major Equipment	14,133
Office Equipment	32,254
Rental Equipment	173,739
Total Fixed Assets	107,925
TOTAL ASSETS	**440,404**

Southern Home Medical, Inc.
Consolidated Balance Sheet
March 31, 2015

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	4,507
Total Accounts Payable	4,507
Other Current Liabilities	
Inter Company Transfer	39,850
Lease Payables	0
Total Other Current Liabilities	39,850
Total Current Liabilities	44,357
Total Liabilites	44,357
Equity	
Additional Paid in Capital	220,024
Common Stock	226,742
Retained Earnings	-120,750
Series A Preferred	19,827
Series C Preferred	18,006
Shareholder Contributions	3,001
Shareholder Distributions	0
Net Income	29,197
TOTAL EQUITY	396,048
TOTAL LIABILITIES & EQUITY	**440,404**

SOUTHERN HOME MEDICAL, INC.

Share Count Information

March 31, 2015

Outstanding Share Count as of March 31, 2015

Common	306,509,863
Preferred A	10,000,000
Preferred C	8,256,250

Authorized Share Count as of March 31, 2015

Common	5,000,000,000
Preferred A	25,000,000
Preferred C	25,000,000

Public Float as of March 31, 2015

Float	205,034,542

Shareholders of Recored as of March 31, 2015

Total	1,948

NOTES TO FINANCIAL STATEMENTS
OF
SOUTHERN HOME MEDICAL, INC.
MARCH 31, 2015 (UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION

This is a preliminary overview unaudited of the 1st quarter 2015. The accompanying unaudited financial statements are being prepared internally in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they currently do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the unaudited financial statements contain no current adjustments consisting only of normal recurring accruals considered necessary to present fairly the Company's financial position at March 31, 2015.

Management's Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, 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.

Fair Value of Financial Instruments – The carrying amounts of financial instruments including accounts receivable, medical equipment, accounts payable, stockholder loans payable and notes payable approximated fair value because of the immediate short-term maturity of these instruments.

Income Taxes – Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting and net operating loss-carry forwards. Deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. The income tax benefit consists of taxes currently refundable due to net operating loss carry back provisions less the effects of accelerated depreciation for the federal government. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment. Earnings (Loss) Per Share – The Company reports earnings (loss) per share in accordance with Statement of Financial Accounting Standard (SFAS) No. 128. This statement requires dual presentation of basic and diluted earnings (loss) with a reconciliation of the numerator and denominator of the loss per share computations. Basic earnings per share amounts are based on the

weighted average shares of common outstanding. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Accordingly, this presentation has been adopted for the periods presented. There were no adjustments required to net income for the period presented in the computation of diluted earnings per share. There were no common stock equivalents (CSE) necessary for the computation of diluted loss per share.

Fixed Assets – Fixed assets are recorded at cost and include expenditures that substantially increase the productive lives of the existing assets. Maintenance and repair costs are expensed as incurred. Depreciation is provided using the straight-line method. Depreciation of property and equipment is calculated over the management prescribed recovery periods, which range from 5 years for equipment to 7 years for furniture and fixtures.

When a fixed asset is disposed of, its cost and related accumulated depreciation are removed from the accounts. The difference between the undepreciated cost and proceeds from disposition is recorded as a gain or loss.

Advertising Costs – Advertising costs are expenses as incurred. The Company does not incur any direct-response advertising costs. No does the company employee an agency.

Other Current Liabilities – There are currently no short or long term outstanding liabilities.

Revenue Recognition – The Company recognizes revenue from the sale and rental of medical equipment and accessories at the time of delivery, when title to the products transfer and the customer bears the risk of loss, net of estimated provisions for returns, rebates and sales allowances.

Comprehensive Income (Loss) – The Company adopted Financial Accounting Standards Board Statement of Financial Accounts Standards No. 130, *"Reporting Comprehensive Income"*, which establishes standards for the reporting and display of comprehensive income and its components in the financial statements. There were no items of comprehensive income (loss) applicable to the company during the period covered in the financial statements.

Long-Lived Assets – In accordance with Financial Accounting Standards Board Statement of Financial Accounting Standard No. 121, *"Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of"*, the carrying value of long-lived assets is reviewed by management on a regular basis for the existence of facts or circumstances, both internally and externally, that may suggest impairment. To date, no such impairment has been indicated. Should there be impairment in the future; the Company will recognize the amount of impairment based on discounted expected future cash flows from the impaired assets.

Cash and Cash Equivalents – For purposes of the Statements of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be cash equivalents.

Uninsured Deposits – At no times during the period, the Company maintained a bank account balance that exceeded federally insured limits. The President & CEO personally signs every check.

Recent Accounting Pronouncements – In July 2006, the Financial Accounting Standards Board ("FASB") ratified the provisions of Emerging Issues Task Force ("EITF") Issue No. 06-3, "How Taxes Collected from Customers and Remitted to Governmental Authorities Should be Presented in the Income Statement (that is, Gross versus Net Presentation)." EITF Issue No. 06-3 requires that the presentation of taxes within revenue-producing transactions between a seller and a customer, including but not limited to sales, use, value added, and some excise taxes, should be on either a gross (included in revenue and cost) or a net (excluded from revenue) basis.

NOTE 2– LEGAL PRESENTATION

There are no legal issues or concerns at present that is a concern for SHOM.

CERTIFICATION

I, *Jeffrey L Sarvis, President & CEO* of Southern Home Medical, Inc., hereby certify that the unaudited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Southern Home Medical, Inc. and the results of its operations and cash flows as of and for the period ended March 31, 2015, in conformity with accounting principles generally accepted in the United States, consistently applied.

SOUTHERN HOME MEDICAL, INC

By: 

Jeffrey L Sarvis, President & CEO