CPSM, Inc. and Subsidiaries
Consolidated Balance Sheets
Unaudited

	June 30, 2015	December 31, 2014
Assets		
Cash	655,868	$ 557,920
Accounts Receivable	104,914	83,707
Due from Related Party	9,149	8,139
Inventory	46,190	62,525
Prepaid and Deposits	8,000	3,000
Total Current Assets	824,121	715,291
Property and Equipment, Net	424,721	317,326
Deferred Tax Asset	41,831	41,831
Intangible Assets, Net	24,342	26,934
Total Assets	$ 1,315,015	$ 1,101,382
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 154,325	$ 121,669
Stockholder Advance Payable	79,750	86,150
Bank Letter of Credit	22,904	31,136
Notes Payable - Current	17,500	17,500
SBA Loan - Current	56,172	56,172
Customer Deposits	132,209	77,834
Total Current Liabilities	462,859	390,461
Long Term Liabilities		
Notes Payable - Long Term	148,502	69,689
SBA Loan - Long Term	170,202	198,444
Promissory Note - Stockholder	210,000	210,000
Total Liabilities	991,563	868,593
Stockholders' Equity (Deficit)		
Common Stock, $0.001 par value, 250,000,000 Shares Authorized, 81,041,419 Shares and 67,041,419 Shares Issued and Outstanding at June 30, 2015 and December 31, 2014, respectively	81,041	67,041
Additional Paid-in Capital	142,939	154,945
Retained Earnings (Accumulated Deficit)	99,472	10,803
Total Stockholders' Equity (Deficit)	323,451	232,789
Total Liabilities and Stockholders' Equity (Deficit)	$ 1,315,015	$ 1,101,382

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Consolidated Statements of Operations
Unaudited

	Three Months Ended June 30, 2015	2014
Revenue	$ 979,875	$ 853,499
Costs and Expenses:		
Cost of Revenue:		
Purchases	274,842	444,351
Service Costs	362,652	257,917
Sales and Marketing	12,748	16,650
General and Administrative	185,588	110,236
Depreciation and Amortization	16,140	14,320
Total Costs and Expenses	851,970	843,474
Other (Income) Expense:		
Interest Expense	6,065	5,848
Other Income	-11	-11
Total Other Expense	6,054	5,837
Income Before Income Tax	121,851	4,189
Income Tax		
Current	33,182	-
Deferred	-	-
Total Income Tax	33,182	-
Net Income	$ 88,669	$ 4,189
Net Earnings per Common Share:		
Basic and Diluted	$ 0.00	$ 0.00
Weighted Average Number of Common Shares Outstanding	81,041,419	53,324,855
Unaudited Pro Forma Tax and Net Income and Per Share Information for S Corp Periods		
Net Income	-	4,189
Pro Forma Income Tax Adjustment	-	628
Pro Forma Net Income	-	$ 3,561
Pro Forma Basic and Diluted Net Earnings Per Common Share	$ -	$ 0.00

The accompanying Notes are an integral part of the consolidated financial statements

CPSM, Inc. and Subsidiaries
Consolidated Statements of Cash Flow
Unaudited

	Three Months Ended June 30, 2015	2014
Cash Flow from Operating Activities:		
Net Income	$ 88,669	$ 4,189
Adjustments to Reconcile Net Income to Net Cash		
provided by Operating Activities:		
Depreciation and Amortization	16,140	14,320
Non-cash Stock Option Compensation	494	
Increase (Decrease) in Cash from change in:		
Accounts Receivable	(104,914)	-
Due from Related Party	-756	(804)
Inventory	(46,190)	-
Deposit	-5,000	-
Accounts Payable and Accrued Expenses	36,080	1,954
Customer Deposit	32,819	33,001
Net Cash Provided By Operating Activities	17,342	52,660
Cash Flow from Investing Activities:		
Purchase of Property and Equipment	-114,382	-50,203
Purchase of Intangible Property	-3,500	(15,000)
Net Cash Used in Investing Activities	(117,882)	(65,203)
Cash Flow from Financing Activities:		
Issuance of Common Stock	-	-
Payment on Bank Letter of Credit	(4,139)	(2,967)
Proceeds from Bank Letter of Credit	-	-
Payment on Notes Payable	(3,742)	(5,538)
Payment on Stockholder Advance Payable	(5,200)	(3,467)
Payment on SBA Loan	-14,211	(13,531)
Issuance of Notes Payable	87,380	45,296
Net Cash Provided by (Used in) Financing Activities	60,088	19,793
Net increase (Decrease) in Cash	$ (40,452)	$ 7,250
Cash at the Beginning of the Year	$ 696,320	$ 223,719
Cash at the End of the Year	$ 655,868	$ 230,969
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	$ 5,204	$ 5,704
Taxes	$ 8,000	$ -
Supplemental Disclosures of Non-Cash Information:		
Issuance of Promissory Note - Incurred with the acquisition of Custom Pool's Shares		$ 210,000
Deferred Income Tax Asset Resulting from Reorganization		$ 79,023

The accompanying Notes are an integral part of the consolidated financial statements

NOTE 1 – NATURE OF OPERATIONS

CPSM, Inc. ("CPSM") and its wholly-owned subsidiaries, Custom Pool and Spa Mechanics, Inc. ("Custom Pool"), and Custom Pool Plastering, Inc. ("CPP") collectively (the "Company") are primarily engaged in the provision of full line pool and spa services, specializing in pool maintenance and service, repairs, leak detection, renovations, decking and remodeling. The primary market area includes Martin, St Lucie and Indian River counties, Florida.

NOTE 2 - RECAPITALIZATION

On September 11, 2014, CPSM acquired all of the outstanding common shares of Custom Pool in exchange for 4,049,245 common shares of the CPSM. The principal shareholder of Custom Pool at the acquisition date was the Lawrence and Loreen Calarco Family Trust, beneficially owned by Lawrence Calarco, an officer and director of the Company and Loreen Calarco an officer and director of the Company.

Per Accounting Standards Codification 805, "Business Combinations", the transaction is accounted for as a reverse recapitalization. Reverse recapitalization accounting applies when a non-operating public shell company (CPSM) acquires a private operating company (Custom Pool) and the owners and management of the private operating company have actual or effective voting and operating control of the combined company. A reverse recapitalization is equivalent to the issuance of stock by the private operating company for the net monetary assets of the public shell corporation accompanied by a recapitalization with accounting similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded.

On June 12, 2014, the Lawrence and Loreen Calarco Family Trust and four investors purchased approximately 98.5% of the outstanding common shares of Nevcor Business Solutions, Inc. ("Nevcor"). Subsequently, Nevcor was changed to CPSM, Inc.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated.

Basis of Presentation

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

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less or money market funds from substantial financial institutions are considered to be cash equivalents. Substantially all of the cash and cash equivalents are placed with one financial institution. From time to time during the year the cash accounts are exposed to credit loss for amounts in excess of insured limits of $250,000 in the event of non-performance by the institution, however, it is not anticipated that there will be non-performance.

Allowance for uncollectible receivables

Management evaluates credit quality by evaluating the exposure to individual counterparties, and, where warranted, management also considers the credit rating or financial position, operating results and/or payment history of the counterparty. Management establishes an allowance for amounts for which collection is considered doubtful. Adjustments to previous assessments are recognized in income in the year in which they are determined. At June 30, 2015 and December 31, 2014, no receivables were determined to be overdue or impaired and, accordingly, no allowance for uncollectible receivables has been established.

Inventory

Inventory consists principally of pool chemicals and resurfacing materials. Inventory has a short turnover cycle. It is valued at the lower of cost or market using the First-in, First-out method.

Property and Equipment

Land is stated at cost. Property and equipment are carried at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Land and building represent the primary office facility of the Company. The equipment is largely comprised of computers and motor vehicles used in the pool service business.

Intangible Assets

Intangible assets consist primarily of customer lists and other purchased assets with a definite life, and these are amortized using the straight-line method over those estimated useful lives.

Customer Deposits

The Company collects initial deposits from customers for pool resurfacing and remediation work and recognizes the revenue when the work is completed.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition

Revenue is recognized when the pool service is completed and the collectability is reasonably assured. For pool resurfacing and remediation work, revenue is recognized at the time of completion of the job.

Stock-Based Compensation

The Company accounts for stock-based compensation under the fair value recognition provisions of U.S. GAAP which requires the measurement and recognition of compensation for all stock-based awards made to employees and directors including stock options and restricted stock issuances based on estimated fair values.

In accordance with U.S. GAAP, the fair value of stock-based awards is generally recognized as compensation expense over the requisite service period, which is defined as the period during which an employee is required to provide service in exchange for an award. The Company uses a straight-line attribution method for all grants that include only a service condition. Compensation expense related to all awards is included in other operating expense.

Income Taxes

Through June 30, 2014 the stockholders of the Company elected to be taxed as an S-Corporation for federal and state income tax purposes, all items of income and expense flowed through to the stockholders, therefore no provision for income taxes was reflected in the 2013 consolidated financial statements or for the period from January 1, 2014 through June 30, 2014.

Effective July 1, 2014 the stockholders of the Company elected to be taxed as a C-Corporation and as a result income taxes are accounted for as follows:

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of asset and liabilities. Deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax asset and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertainties in income tax law under a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns as prescribed by generally accepted accounting principles ("GAAP"). Under GAAP, the tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained by the taxing

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

authority as of the reporting date. If the tax position is not considered "more-likely-than-not" to be sustained, then no benefits of the position are recognized. Management believes there are no unrecognized tax benefits or uncertain tax positions as of June 30, 2015.

The Company recognizes interest and penalties on income taxes as a component of income tax expense, should such an expense be realized.

Basic and Diluted Net Earnings per Share

The Company computes loss per share in accordance with "ASC-260", "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive. The Company has no potential dilutive instruments and accordingly basic loss and diluted loss per share are the same.

Fair Value Measurement

Generally accepted accounting principles establishes a hierarchy to prioritize the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest ranking to the fair values determined by using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). Observable inputs are those that market participants would use in pricing the assets based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The Company has determined the appropriate level of the hierarchy and applied it to its financial assets and liabilities.

Use of Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS

In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-08 (ASU 2014-08), Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360). ASU 2014-08 amends the requirements for reporting discontinued operations and requires additional disclosures about discontinued operations. Under ASU 2014-08, only disposals representing a strategic shift in

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS, CONTINUED

operations or that have a major effect on the Company's operations and financial results should be presented as discontinued operations. ASU 2014-08 is effective for annual periods beginning after December 15, 2014. The adoption of this guidance did not have any impact on the Company's financial statement presentation or disclosures.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers. ASU 2014-09 will eliminate transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. ASU 2014-09 also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs
incurred to obtain or fulfill a contract. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016, and early adoption is not permitted. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company is currently evaluating the impact the adoption of ASU 2014-09 on the Company's financial statement presentation and disclosures.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At June 30, 2015 the Company had cash and cash equivalent balances in excess of federally insured limits in the amount of approximately $405,868.

Accounts receivable are financial instruments that potentially expose the Company to concentration of credit risk. However, accounts receivable of $83,707 at December 31, 2014 are comprised of many pool service customer accounts, none of which are individually significant in size. The Company historically has collected substantially all of its receivables.

NOTE 6 – FAIR VALUE ESTIMATES

The Company measures financial instruments at fair value in accordance with ASC 820, which specifies a valuation hierarchy based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions.

NOTE 6 – FAIR VALUE ESTIMATES, CONTINUED

Management believes the carrying amounts of the Company's cash, accounts receivable, accounts payable as of June 30, 2015 and December 31, 2014 approximate their respective fair values because of the short-term nature of these instruments. The Company measures its letter of credit, notes payable and loans in accordance with the hierarchy of fair value based on whether the inputs to those valuation techniques are observable or unobservable.

The hierarchy is:

Level 1 – Quoted prices for identical instruments in active markets;

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value of the letter of credit, notes payable and loans December 31, 2014 and June 30, 2015 were as follows:

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Year Ended December 31, 2014				
Bank Letter of Credit		$ 31,136		$ 31,136
Notes Payable		$ 85,134		$ 87,189
SBA Loan		$ 254,616		$ 254,616
Promissory Note – Stockholder			$ 175,434	$ 210,000
Stockholder Loan			$ 86,150	$ 86,150
Period Ended June 30, 2015				
Bank Letter of Credit		$ 22,904		$ 22,904
Notes Payable		$ 166.002		$ 163,947
SBA Loan		$ 226,374		$ 226,374
Promissory Note - Stockholder			$ 175,434	$ 210,000
Stockholder Loan			$ 79,750	$ 79,750

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and June 30, 2015, respectively, consisted of:

Property & Equipment	December 31, 2014	June 30, 2015
Land	$ 82,980	$ 82,980
Buildings	140,715	140,715
Computer Equipment	7,479	18,080
Furniture and Fixtures	5,707	5,707
Motor Vehicles	266,524	389,315
Total	$ 503,405	$ 636,797
Accumulated Depreciation		
Total	$ 186,079	$ 212,076
Net Property & Equipment	$ 317,326	$ 424,721

NOTE 8 – STOCKHOLDER ADVANCE PAYABLE

At June 30, 2015 and December 31, 2014, the Company also had an advance payable of $79,750 and $86,150, respectively, from the Lawrence and Loreen Calarco Family Trust, beneficially owned by Lawrence Calarco, an officer and director of the Company and Loreen Calarco an officer and director of the Company. The advance payable was used in the original acquisition of Custom Pool. The terms of the advance payable are non-interest bearing and it is due on demand.

NOTE 9 – BANK LINE OF CREDIT

The Company maintains a $50,000 revolving line of credit with a regional bank. The line of credit has a ten year maturity, but is due upon demand by the bank. The interest rate is currently 5.25%, and it is a floating rate, 2.0% over the Wall Street Journal Prime Rate Index. The outstanding balance as of June 30, 2015 and December 31, 2014, respectively is $22,904 and $31,136. The Company is currently in compliance with the terms of the line of credit.

NOTE 10 – NOTES PAYABLE

At June 30, 2015 and December 31, 2014 the Company has $166,002 and $87,189 respectively, in notes payable secured against the motor vehicles used in the pool services and pool resurfacing businesses. The interest rates range from 2.99% to 5.75% and the

NOTE 10 – NOTES PAYABLE, CONTINUED

maturities range from three to six years. The Company is currently in compliance with the terms of the loans.

NOTE 11 – LONG TERM LOANS

At June 30, 2015 and December 31, 2014, the Company has a long term loan from the Small Business Administration, through Wells Fargo Bank. The terms of the loan have a floating interest rate of 2.00% over the Wall Street Journal Prime Rate Index, with the interest rate currently at 5.5%. The loan matures in January 2019. The loan is secured by all of the assets of Custom Pool and by personal guaranties of Lawrence and Loreen Calarco. The outstanding balance of the loan at June 30, 2015 and December 31, 2014 is $226,374 and $254,616 respectively. The Company is currently in compliance with the terms of this loan.

At June 30, 2015 and December 31, 2014, the Company has a Promissory Note from a stockholder for $210,000, which was incurred with the acquisition of Custom Pool's shares. The term of the Promissory Note is 5 years and the note has an interest rate set at the 5 Year Treasury Note rate, currently set at 1.64% and which resets annually from June 3, 2014. The principal is due on the final maturity of June 3, 2019. The Company has not paid interest, but has accrued interest expense of $3,713 as of June 30, 2015.

The long term debt repayments are as follows:

	2015	**2016**	**2017**	**2018**	**2019**	**Thereafter**
Notes Payable:	17,500	18,266	16,903	15,885	12,940	5,694
SBA Loan	56,172	59,262	62,521	65,960	10,702	
Promissory Note					210,000	
Total Repayments	73,672	77,528	79,424	81,845	233,642	5,694

NOTE 12 – INCOME TAX

For pro forma purposes on the consolidated statement of operations in 2014 and 2013, the Company's operations are combined with Custom Pool's and a pro forma income tax expense is presented. The tax expense is at the statutory federal and state income tax rates. Prior to
July 1, 2014, Custom Pool was an S Corporation and as such was a pass-through entity and was not required to pay income taxes.

As of June 30, 2015, the U.S. Federal and Florida income tax returns filed prior to 2011 are no longer subject to examination by the respective taxing authorities.

The differences between the statutory Federal income tax rate and the effective tax rate are summarized as follows for the year ended December 31, 2014:

Income Taxes at Statutory Rate	$ 53,972	34.0%
Increase (Decrease) in Taxes Resulting From:		
State Taxes, net of Federal Tax Benefit	83	0.1
Graduated Tax Rates	(6,238)	(3.9)
Change in Entity to C Corporation	(6,478)	(4.1)
Other, Net	778	0.4
Income Taxes	$ 42,117	26.5%

Deferred income taxes primarily relate to differences between the amounts recorded for financial reporting purposes and the amounts recorded for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows as of December 31, 2014:

Deferred Income Tax Assets (Liabilities):	
Original Costs	$ 77,267
Depreciation	(15,723)
Accrual to Cash Conversion	(19,713)
Deferred Income Tax Assets	$ 41,831

NOTE 13 - CAPITAL STOCK

At December 31, 2014 Custom Pool had 51,742,688 shares owned by the Lawrence and Loreen Calarco Family Trust, controlled by Lawrence and Loreen Calarco as beneficial owners and who are the Chief Executive Officer and Chief Operating Officer of Custom Pool and are both officers and directors of the Company.

As part of the equity recapitalization, the Company issued 4,049,245 common shares for all of the common shares of Custom Pool on September 11, 2014.

NOTE 13 - CAPITAL STOCK, CONTINUED

Post recapitalization, the company issued 7,300,000 common shares between $0.01 per share and $0.05 per share for $353,000 of gross and net proceeds. At December 31, 2014, the Company had 67,041,419 common shares issued and outstanding.

On March 27, 2015, the Company issued 14,000,000 common shares to the Lawrence and Loreen Calarco Family Trust, as a final common stock true up for the Company's acquisition Custom Pool. At June 30, 2015 the Company had 81,041,419 common shares issued and outstanding.

NOTE 14 – 2014 STOCK AWARDS PLAN

In November 2014, the board of directors of the Company approved the adoptions of a Stock Awards Plan. The purpose is to provide a means through which CPSM may attract, retain and motivate employees, directors and persons affiliated with the Company, including, but not limited to, non-employee consultants, and to provide a means whereby such persons can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company. A further purpose of the Plan is to provide such participants with additional incentive and reward opportunities designed to enhance the profitable growth and increase stockholder value of the Company.

The Plan permits the grants of common stock or options to purchase common stock. As plan administrator, the Board of Directors has sole discretion to set the price of the options. Further, the Board of Directors may amend or terminate the plan.

On May 27, 2015, the Board of Directors granted two individuals 500,000 options each. The stock options have a five year maturity, vesting ratably over that period and an exercise price equal to the closing stock price on May 27, 2015 which was $0.035 per share. The fair value of the options were calculated to be $0.0265 per share using a Black Scholes model. The assumptions used in the model were 1.57% risk free rate using the 5 year constant maturity Treasury Rate, 113.19% stock volatility and 1,825 days (5 years) to maturity. The Company expensed $494 of stock option compensation for the three months ended June 30, 2015.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Company does not have any significant or long term commitments, other than notes payable and loans as discussed in Notes 8, 9, 10 and 11. The Company is not currently subject to any litigation.

NOTE 16 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were available to be issued and has determined that there are no events to disclose**.**