

McCusker & Company Inc.  
Board of Directors

## ACCOUNTANT'S COMPILATION REPORT

I have compiled the accompanying statement of Balance Sheet for McCusker & Company Inc. (an S-Corporation) as of December 31, 2015, and the related Statement of Revenues and Expenses for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management (owners). I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, I did become aware of a departure from general accepted accounting principles that is described in the following paragraph.

Generally accepted accounting principles require that fixed assets be depreciated over their estimated useful lives. The Company has computed depreciation on several fixed assets in accordance with the Modified Accelerated Cost Recovery System required for federal income tax purposes, which does not allocate depreciation to expense over the estimated useful lives of the assets. The effects of this departure from generally accepted accounting principles have not been determined.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to McCusker & Company Inc.

December 27, 2017

*Willa Jo Mills, CPA*

# McCusker Company Inc.

## Balance Sheet As of December, 2015

### ASSETS

#### Current Assets

##### Bank Accounts

##### Bank

|                                         |    |           |
|-----------------------------------------|----|-----------|
| Business checking 5405                  | \$ | 20,331.07 |
| Business money market 5421              |    | 667.82    |
| M&C Agent for Starr Indemnity & Liab    |    | 954.21    |
| OmniAmerican Bank Checking              |    | 228.71    |
| Operating Checking 4200                 |    | 8,771.35  |
| Paypal                                  |    | (10.81)   |
| Regular Savings 5413                    |    | 484.85    |
| Debit card                              |    | 102.15    |
| Petty Cash - McCusker Service Group Inc |    | 255.50    |
| PEX CARD                                |    | 2,088.23  |

Total Bank Accounts 33,873.08

##### Accounts Receivable

|                     |              |
|---------------------|--------------|
| Accounts Receivable | 1,621,444.11 |
|---------------------|--------------|

Total Accounts Receivable 1,621,444.11

##### Other Current Assets

|                                               |            |
|-----------------------------------------------|------------|
| Credit Card Receivables                       | 5,426.94   |
| Due From McCusker & Company Carib PR          | 3,108.00   |
| Due from McCusker Holdings Inc                | 5,572.49   |
| Due from McCusker Service Group dba Chef Sage | 146,316.05 |

Total Other Current Assets 160,423.48

#### Total Current Assets

1,815,740.67

#### Fixed Assets

##### FFE

|               |             |
|---------------|-------------|
| Depreciation  | (64,320.70) |
| Original Cost | 70,091.12   |

Total Furniture & Fixtures 5,770.42

##### Vehicle fixed asset

|               |            |
|---------------|------------|
| Depreciation  | (6,320.00) |
| Original Cost | 143,099.24 |

Total Vehicle fixed asset 136,779.24

#### Total Fixed Assets

142,549.66

#### Other Assets

|                           |           |
|---------------------------|-----------|
| Lease deposit             | 16,122.50 |
| Prepaid Promotional       | 13,500.00 |
| Prepaid Professional Fees | 10,000.00 |
| Total Security Deposits   | 39,622.50 |

Total Other Assets 39,622.50

TOTAL ASSETS \$ 1,997,912.83

# McCusker Company Inc.

## Balance Sheet As of December, 2015

### LIABILITIES AND EQUITY

#### Liabilities

##### Current Liabilities

##### Accounts Payable

|                  |    |           |
|------------------|----|-----------|
| Accounts Payable | \$ | 86,296.44 |
|------------------|----|-----------|

|                        |  |           |
|------------------------|--|-----------|
| Total Accounts Payable |  | 86,296.44 |
|------------------------|--|-----------|

##### Credit Cards

|                         |  |           |
|-------------------------|--|-----------|
| Blue for Business-02008 |  | 15,901.27 |
|-------------------------|--|-----------|

|             |  |        |
|-------------|--|--------|
| Capital One |  | 621.86 |
|-------------|--|--------|

|         |  |           |
|---------|--|-----------|
| US Bank |  | 19,273.50 |
|---------|--|-----------|

|                    |  |           |
|--------------------|--|-----------|
| Total Credit Cards |  | 35,796.63 |
|--------------------|--|-----------|

##### Other Current Liabilities

|                       |  |          |
|-----------------------|--|----------|
| NanoMech Inc Retainer |  | 5,614.58 |
|-----------------------|--|----------|

|         |  |          |
|---------|--|----------|
| Fundbox |  | 8,776.62 |
|---------|--|----------|

|                     |  |            |
|---------------------|--|------------|
| LOC - Omni American |  | 117,283.98 |
|---------------------|--|------------|

|              |  |            |
|--------------|--|------------|
| Starr claims |  | 233,543.07 |
|--------------|--|------------|

|                                 |  |            |
|---------------------------------|--|------------|
| Total Other Current Liabilities |  | 365,218.25 |
|---------------------------------|--|------------|

|                           |  |            |
|---------------------------|--|------------|
| Total Current Liabilities |  | 487,311.32 |
|---------------------------|--|------------|

##### Long-Term Liabilities

|                                        |  |            |
|----------------------------------------|--|------------|
| Loan Payable - Accord Business Funding |  | 117,927.04 |
|----------------------------------------|--|------------|

|                                  |  |           |
|----------------------------------|--|-----------|
| Loan Payable - SNAP ADVANCES LLC |  | 39,083.00 |
|----------------------------------|--|-----------|

|                  |  |          |
|------------------|--|----------|
| MRRG liabilities |  | 8,393.68 |
|------------------|--|----------|

|                                |  |           |
|--------------------------------|--|-----------|
| Ally Auto loan - 13 MERZ ML350 |  | 45,204.30 |
|--------------------------------|--|-----------|

|                               |  |           |
|-------------------------------|--|-----------|
| Ally Auto loan - 13 MERZ S550 |  | 74,428.51 |
|-------------------------------|--|-----------|

|                             |  |            |
|-----------------------------|--|------------|
| Total Long-Term Liabilities |  | 285,036.53 |
|-----------------------------|--|------------|

|                   |    |            |
|-------------------|----|------------|
| Total Liabilities | \$ | 772,347.85 |
|-------------------|----|------------|

#### Equity

|               |    |          |
|---------------|----|----------|
| Capital Stock | \$ | 1,000.00 |
|---------------|----|----------|

|                   |  |              |
|-------------------|--|--------------|
| Retained Earnings |  | (313,815.19) |
|-------------------|--|--------------|

|            |  |              |
|------------|--|--------------|
| Net Income |  | 1,538,380.17 |
|------------|--|--------------|

|              |    |              |
|--------------|----|--------------|
| Total Equity | \$ | 1,225,564.98 |
|--------------|----|--------------|

|                              |    |              |
|------------------------------|----|--------------|
| TOTAL LIABILITIES AND EQUITY | \$ | 1,997,912.83 |
|------------------------------|----|--------------|

**McCusker Company Inc.**  
Statement of Revenues and Expenses  
January through December 2015

|                                       | Total           |
|---------------------------------------|-----------------|
| Income                                |                 |
| Consulting Services                   |                 |
| Management services                   | \$ 2,400.00     |
| Performance Guarantee                 | 651.95          |
| Reimbursements                        | 650,364.84      |
| Warranty                              | 2,431,817.40    |
| Total Consulting Services             | 3,085,234.19    |
| PayPal Income                         | 238.50          |
| Rental                                | 16,843.74       |
| Shipping Income                       | 25.58           |
| Total Income                          | \$ 3,102,342.01 |
| Gross Profit                          | \$ 3,102,342.01 |
| Expenses                              |                 |
| Advertising & Marketing               | \$ 19,584.99    |
| Auto Expense                          |                 |
| Auto Insurance                        | 8,063.35        |
| Auto Lease                            | 11,188.29       |
| Auto Repairs & Maintenance            | 9,929.36        |
| Gas                                   | 1,421.94        |
| Registration & License                | 78.00           |
| Total Auto Expense                    | 30,680.94       |
| Bad Debts                             | 6.61            |
| Bank Service charges                  | 6,431.75        |
| Business License & Fees               | 5,727.90        |
| Charitable Contributions              | 123.85          |
| Claims                                | 2,990.52        |
| MRRG claims                           | 155.00          |
| Human Touch                           | 4,179.66        |
| Vitality Web                          | 4,123.86        |
| Total MRRG claims                     | 8,458.52        |
| Starr claims                          | 6,296.22        |
| Starr Claims-to be reimburse by Starr | 17,644.39       |
| SUSA claims                           | 7,508.49        |
| Total Claims                          | 42,898.14       |
| Cleaning/Janitorial                   | 8,924.09        |
| Company Insurance                     |                 |
| Dental & Vision                       | 4,385.70        |
| General Liability Insurance           | 4,148.31        |
| Life Insurance                        | 224.21          |
| Medical Insurance                     | 35,715.84       |
| ODL                                   | 286.58          |

**McCusker Company Inc.**  
Statement of Revenues and Expenses  
January through December 2015

|                           |             |
|---------------------------|-------------|
| Total Company Insurance   | 44,760.64   |
| Data/Internet             | 16,212.14   |
| Corp internet             | 5,204.15    |
| Total Data/Internet       | 21,416.29   |
| Data/Internet Fees        | 14,261.20   |
| Depreciation Expense      | 24,525.72   |
| Document destruction      | 320.00      |
| Dues & Subscriptions      | 1,251.13    |
| Equipment Rental          | 2,782.14    |
| Field service             | 2,384.15    |
| Finance charges           | 176,537.26  |
| Fulfillment Service       | 1,707.40    |
| Furniture lease           | 15,901.22   |
| Meal and Entertainment    | 108,834.06  |
| Merchant Fees             | 24,717.94   |
| Miscellaneous             | -           |
| Office expense            | 11,719.53   |
| PayPal Fees               | 31.82       |
| Payroll Expenses          | 561,895.10  |
| Gross Wages               | 24,765.84   |
| Leased Employee Expenses  | (23,658.31) |
| Officer Compensation      | -           |
| Operations Wages          | 112,221.56  |
| Payroll Processing        | 1,233.35    |
| PR Taxes                  | 7,946.69    |
| Sales Staff Wages         | 23,403.39   |
| Total Payroll Expenses    | 707,807.62  |
| Postage and Delivery      | 6,281.66    |
| Professional Development  | 199.00      |
| Professional Fees         | 826.00      |
| Accounting Fees           | 5,450.00    |
| Administrative Fee        | 2,944.00    |
| Call center admin service | 335.00      |
| Consulting Fee            | 18,984.58   |
| Data Management fee       | 7,500.00    |
| Legal Fees                | 27,129.28   |
| Total Professional Fees   | 63,168.86   |
| Promotional               | 461.50      |
| Rent or Lease             | 79,600.84   |
| Crescent                  | 27,523.61   |
| Regus                     | (3,245.80)  |
| Storage                   | 2,854.83    |

**McCusker Company Inc.**  
Statement of Revenues and Expenses  
January through December 2015

|                              |                 |
|------------------------------|-----------------|
| Talon Group LLC              | 11,250.00       |
| Total Rent or Lease          | 117,983.48      |
| Repair & Maintenance         | 776.31          |
| Building                     |                 |
| Corp                         | 2,909.00        |
| Total Building               | 2,909.00        |
| Computer Repairs             | 1,966.42        |
| Equipment Repairs            | 156.00          |
| Total Repair & Maintenance   | 5,807.73        |
| Security Services            | 5,692.45        |
| Supplies                     | 12,631.85       |
| Taxes Paid                   |                 |
| Business state tax           | 8,874.48        |
| Total Taxes Paid             | 8,874.48        |
| Telephone and Fax            | 27,423.36       |
| Travel / Hotel expense       | 12,423.94       |
| Uncategorized Expense        | 4,051.21        |
| Utilities                    | 7,244.85        |
| Total Expenses               | \$ 1,545,580.76 |
| Net Operating Income         | \$ 1,556,761.25 |
| Other Income                 |                 |
| Cash Back Bonus Earned       | \$ 977.57       |
| Interest Earned              | 38.74           |
| Other Income                 | 315.04          |
| Reclamation                  | 1,436.00        |
| Vehicle Sales                | (6,389.98)      |
| Total Other Income           | \$ (3,622.63)   |
| Other Expenses               |                 |
| Gain/Loss on Equipment       | \$ 335.41       |
| Interest Expense             | 10,926.12       |
| Other Miscellaneous Expense  | 2,992.80        |
| Reconciliation Discrepancies | 302.32          |
| Relocation Expense           | 201.80          |
| Total Other Expenses         | \$ 14,758.45    |
| Net Other Income             | \$ (18,381.08)  |
| Net Income                   | \$ 1,538,380.17 |