

Service USA Inc.
Board of Directors

ACCOUNTANT'S COMPILATION REPORT

I have compiled the accompanying statement of Balance Sheet for Service USA 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 Service USA Inc.

December 27, 2017

Willa Jo Mills, CPA

Service USA Inc.

Balance Sheet December 31, 2015

	Total
ASSETS	
Current Assets	
Bank Accounts	
Business Checking #0233	\$ 35,674.00
OmniAmerican 4601	130.88
PayPal	350.98
Total Bank Accounts	36,155.86
Accounts Receivable	
Accounts Receivable	156,200.34
Total Accounts Receivable	156,200.34
Other Current Assets	
Bank Clearing	(50.00)
Due from Factor (Reserve)	(1,084.60)
Prepaid Expenses	-
Patrick Miller	720.00
Workmarket	1,493.37
Total Prepaid Expenses	1,078.77
Total Other Current Assets	1,078.77
Total Current Assets	193,434.97
Fixed Assets	
Cost	15,278.63
Depreciation (7 Year)	(15,278.63)
Total Furniture & Fixtures	-
Intangible Assets	
Amortization (15 Year)	(3,298.86)
Website Development	4,608.90
Total Intangible Assets	1,310.04
Total Fixed Assets	1,310.04
Other Assets	
Lease Deposits	4,976.00
Long-Term Reserves	
New York CD Reserve	50,841.61
Total Long-Term Reserves	55,817.61
Total Other Assets	55,817.61
TOTAL ASSETS	\$ 250,562.62

Service USA Inc.

Balance Sheet December 31, 2015

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable	\$ 541,778.05
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Total Accounts Payable	541,778.05
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Other Current Liabilities

Due to McCusker Service Group	1,666.00
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Total Other Current Liabilities	1,666.00
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Total Current Liabilities	543,444.05
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Long-Term Liabilities

Deferred Admin Revenue	89,641.00
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Other Long Term Liabilities

Service Liabilities	66,453.19
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Total Other Long Term Liabilities	66,453.19
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Total Long-Term Liabilities	156,094.19
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Total Liabilities	\$ 699,538.24
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Equity

Owner's Equity

Will McCusker

WM - Capital Stock	\$ 20.00
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WM - APIC	500.00
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Total WM - Capital Stock	520.00
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Retained Earnings	(152,877.59)
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Net Income	(296,618.03)
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Total Equity	(448,975.62)
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TOTAL LIABILITIES AND EQUITY	\$ 250,562.62
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Service USA Inc.
Statement of Revenues and Expenses
January through December 2015

	<u>Total</u>
Income	
Service Revenue	\$ 9,404.11
Better Distribution	6,237.35
Discounts/Refunds Given	(400.00)
Human Touch OEM Revenue	42,681.75
Kingly Home	66,219.52
Living Spaces Furniture	1,510,220.25
PEP Station	1,571.00
Reimbursement	43,054.70
Spa Products Import & Distribution Co. LLC	875.00
SunBrite TV LLC	3,608.00
Total Service Revenue	<u>1,683,471.68</u>
Total Income	<u>1,683,471.68</u>
Gross Profit	<u>1,683,471.68</u>
Expenses	
Advertising	5,543.74
Amortization Expense	922.00
Bad Debts	100.00
Bank Charges	533.52
Business Insurance	3,397.75
Business licenses / fees	784.00
Charitable Contributions	315.00
Claims	
LS-cleaning kis contracts starting 02/04/15)	822.98
LS-cleaning kits (contracts prior 02/04/15)	1,181.60
LS-parts/replacements (contracts prior 02/04/15)	35,892.84
LS-parts/replacements (contracts starting 02/04/15)	<u>38,019.63</u>
Total Claims	75,917.05
Commissions & Fees	75.00
Data/Internet	24,634.85
Depreciation Expense	1,094.63
Factor expense	44.21
Field Service	241,979.78
Human Touch	335.00
Living Spaces-Nov 2014 to Jan 2015	445.00
Living Spaces-SUSA (contracts starting 02/04/2015)	1,920.00
LS-Ultrashield (KY) contracts prior to 11/01/2014	<u>295.00</u>
Total Field Service	244,974.78
Fulfillment Service	105.02
Janitorial/Supplies	6,992.18
Leased Employees Exp	38,930.94
Meals and Entertainment	20.89
Merchant Fees	3,347.86
Postage & Delivery	4,905.25

Service USA Inc.
Statement of Revenues and Expenses
January through December 2015

Professional Fees	
Accounting Service	9,755.00
Admin Service	535.00
Consulting Fee	15,416.00
Sales Commission Fees	317,480.45
McCusker & Company Inc	34,134.27
Total Sales Commission Fees	351,614.72
Staffing Service	130,617.66
Total Professional Fees	507,938.38
Promotional	678.61
Rent Expense	32,423.30
Equipment Rental	15,026.02
Total Rent Expense	47,449.32
Repair & Maintenance	2,850.00
Security Services	5,730.29
Supplies	40,693.69
Taxes & Licenses	1,178.64
Telephone/Fax	27,328.83
Travel	17,062.60
Travel Meals	110.39
Utilities	5,788.86
Warranty Administration remittance	911,613.67
Total Expenses	1,981,061.95
Net Operating Income	(297,590.27)
Other Income	
Cash Back Earned	4.60
Interest Earned	101.55
Total Other Income	106.15
Other Expenses	
Miscellaneous	(866.09)
Total Other Expenses	(866.09)
Net Other Income	972.24
Net Income	\$ (296,618.03)