

McCusker & Company Inc.
Board of Directors

ACCOUNTANT'S COMPILATION REPORT

I have compiled the accompanying statement of Balance Sheet of McCusker & Company Inc. (an S-Corporation) as of December 31, 2015, and the related Statements of Revenues and Expenses, Retained Earnings, and Cash Flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles general accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles general accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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

April 24, 2018

Willa Jo Mills, CPA

McCusker & Company Inc

Balance Sheet

As of December 31, 2015

	Total
ASSETS	
Current Assets	
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	(54,621.95)
Original Cost	70,091.12
Total Furniture & Fixtures	\$ 15,469.17
Vehicle fixed asset	
Depreciation	(21,936.24)
Original Cost	143,099.24
Total Vehicle fixed asset	\$ 121,163.00
Total Fixed Assets	\$ 136,632.17
Other Assets	
Lease deposit	16,122.50
Prepaid Promotional	13,500.00
Prepaid Professional Fees	10,000.00
Total Other Assets	\$ 39,622.50
TOTAL ASSETS	\$ 1,991,995.34
LIABILITIES AND EQUITY	

McCusker & Company Inc

Balance Sheet

As of December 31, 2015

Liabilities	
Current Liabilities	
Accounts Payable	
2000 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	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
3900 Retained Earnings	(313,815.19)
Net Income	1,532,462.68
Total Equity	\$ 1,219,647.49
TOTAL LIABILITIES AND EQUITY	\$ 1,991,995.34

McCusker & Company Inc

Statement of Revenues and Expenses

January - 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 - 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	31,709.50
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 - 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	\$ 1,552,764.54
Net Operating Income	\$ 1,549,577.47
Other Income	
Cash Back Bonus Earned	977.57
Interest Earned	38.74
Other Income	315.04
Reclamation	1,436.00
Vehicle Sales	(4,835.47)
Total Other Income	\$ (2,068.12)
Other Expenses	
Gain/Loss on Equipment	623.63
Interest Expense	10,926.12
Other Miscellaneous Expense	2,992.80
Reconciliation Discrepancies	302.32
Relocation Expense	201.80
Total Other Expenses	\$ 15,046.67
Net Other Income	\$ (17,114.79)
Net Income	\$ 1,532,462.68

McCusker & Company Inc

Statement of Retained Earnings

As of December 31, 2015

Beginning Balance	(254,741.68)
Add Net Income for Fiscal Year 2015	<u>1,532,462.68</u>
Total	\$ <u>1,277,721.00</u>
Less Distributions	<u>(59,073.51)</u>
Retained Earnings Balance 12/31/2015	<u><u>\$ 1,218,647.49</u></u>

McCusker & Company Inc

Statement of Cash Flows

January - December 2015

	Total
OPERATING ACTIVITIES	
Net Income	1,532,462.68
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	(1,500,088.02)
Credit Card Receivables	(3,531.63)
Other Receivables	411.98
Prepaid Expenses	33,500.00
Depreciation	(2,919.13)
Accounts Payable	(27,589.26)
Other Liabilities	5,882.99
LOC - Omni American	(45,758.53)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ (1,540,091.60)
Net cash provided by operating activities	\$ (7,628.92)
INVESTING ACTIVITIES	
Equipment Purchases	(3,768.63)
Lease deposit	(1,346.60)
Net cash provided by investing activities	\$ (5,115.23)
FINANCING ACTIVITIES	
Loan Payable - Accord Business Funding	117,927.04
Loan Payable - SNAP ADVANCES LLC	(38,472.00)
MRRG liabilities	8,393.68
Vehicle loans	(7,042.52)
Draws	(59,073.51)
Net cash provided by financing activities	\$ 21,732.69
Net cash increase for period	\$ 8,988.54
Cash at beginning of period	24,884.54
Cash at end of period	\$ 33,873.08

Service USA Inc.
Board of Directors

ACCOUNTANT'S COMPILATION REPORT

I have compiled the accompanying statement of Balance Sheet of Service USA Inc. (an S-Corporation) as of December 31, 2015, and the related Statements of Revenues and Expenses, Retained Earnings and Cash Flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles general accepted in the United States of America.

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I am not independent with respect to Service USA Inc.

April 24, 2018

Willa Jo Mills, CPA

Service USA Inc.
Balance Sheet
As of December 31, 2015

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Business Checking #0233	35,674.00
OmniAmerican 4601	130.88
Bank Clearing	(50.00)
PayPal	350.98
Total Bank Accounts	<u>\$ 36,105.86</u>
Accounts Receivable	
Accounts Receivable	156,200.34
Total Accounts Receivable	<u>\$ 156,200.34</u>
Other Current Assets	
Due from Factor (Reserve)	(1,084.60)
Prepaid Expenses	2,213.37
Total Other Current Assets	<u>\$ 1,128.77</u>
Total Current Assets	<u>\$ 193,434.97</u>
Fixed Assets	
Furniture & Fixtures	
Cost	2,721.80
Depreciation (7 Year)	(2,721.80)
Total Furniture & Fixtures	<u>\$ 0.00</u>
Machinery & Equipment	
Cost	12,556.83
Depreciation (5 Year)	(11,827.68)
Total Machinery & Equipment	<u>\$ 729.15</u>
Total Fixed Assets	<u>\$ 729.15</u>
Other Assets	
Intangible Assets	
Amortization (15 Year)	(3,298.86)
Website Development	4,608.90
Total Intangible Assets	<u>\$ 1,310.04</u>
Lease Deposits	4,976.00
Long-Term Reserves	
New York CD Reserve	50,841.61
Total Long-Term Reserves	<u>\$ 50,841.61</u>
Total Other Assets	<u>\$ 57,127.65</u>
TOTAL ASSETS	<u><u>\$ 251,291.77</u></u>

Service USA Inc.
Balance Sheet
As of December 31, 2015

	<u>Total</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	541,778.05
Total Accounts Payable	\$ 541,778.05
Other Current Liabilities	
Due to McCusker Service Group	1,666.00
Total Other Current Liabilities	\$ 1,666.00
Total Current Liabilities	\$ 543,444.05
Long-Term Liabilities	
Deferred Admin Revenue	89,641.00
Service Liabilities	66,453.19
Total Long-Term Liabilities	\$ 156,094.19
Total Liabilities	\$ 699,538.24
Equity	
Owner's Equity	
Will McCusker	
WM - Capital Stock	20.00
WM - APIC	500.00
Total WM - Capital Stock	\$ 520.00
Retained Earnings	(152,842.90)
Net Income	(295,923.57)
Total Equity	-\$ 448,246.47
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 251,291.77</u></u>

Service USA Inc.
Profit and Loss
January - 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)	38,019.63
Total Claims	<u>\$ 75,917.05</u>
Commissions & Fees	75.00
Data/Internet	24,634.85
Depreciation Expense	400.17
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	295.00
Total Field Service	<u>\$ 244,974.78</u>
Fulfillment Service	105.02
Janitorial/Supplies	6,992.18
Leased Employees Exp	38,930.94

Service USA Inc.
Profit and Loss
January - December 2015

	Total
Meals and Entertainment	20.89
Merchant Fees	3,347.86
Postage & Delivery	4,905.25
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	\$ 1,980,367.49
Net Operating Income	\$ (296,895.81)
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	\$ (295,923.57)

Service USA Inc.
Statement Of Retained Earnings
As of December 31, 2015

Beginning Balance	(136,825.53)
Add Net Income for Fiscal Year 2015	<u>(295,923.57)</u>
Total	\$ <u>(432,749.10)</u>
Less Distributions	<u>(16,017.37)</u>
Retained Earnings Balance 12/31/2015	<u><u>\$ (448,766.47)</u></u>

Service USA Inc.
Statement of Cash Flows
January - December 2015

	Total
OPERATING ACTIVITIES	
Net Income	(295,923.57)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable	(148,559.09)
Bank Clearing	3,067.04
Prepaid Expenses	(2,213.37)
Depreciation	400.17
Accounts Payable	458,901.92
Accounts Receivable - Factored	(3,800.00)
Due to McCusker & Company Inc	(22,031.85)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 285,764.82
Net cash provided by operating activities	\$ (10,158.75)
INVESTING ACTIVITIES	
Intangible Assets:Amortization (15 Year)	922.00
Machinery & Equipment:Cost	(1,042.66)
Lease Deposits	(3,476.00)
Long-Term Reserves:New York CD Reserve	(101.55)
Net cash provided by investing activities	\$ (3,698.21)
FINANCING ACTIVITIES	
Insurance - Liability	(9,511.00)
Other Long Term Liabilities:Service Liabilities	66,453.19
APIC	500.00
Distributions	(16,017.37)
Net cash provided by financing activities	\$ 41,424.82
Net cash increase for period	\$ 27,567.86
Cash at beginning of period	8,538.00
Cash at end of period	\$ 36,105.86