

HEALING OASIS WELLNESS CENTER, LLC

FINANCIAL STATEMENTS WITH  
ACCOUNTANTS' REPORT

FOR THE YEARS ENDED  
DECEMBER 31, 2017 AND 2016



**BERKLEY, ISELIN & LOTZ, S.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

To Management  
Healing Oasis Wellness Center, LLC  
Sturtevant, WI

Management is responsible for the accompanying financial statements of Healing Oasis Wellness Center, LLC (an S corporation), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Berkley, Iselin & Lotz, S.C.  
Racine, WI

May 10, 2018

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*Robert G. Berkley, CPA   D   Darlene M. Lotz, CPA*

1244 West Blvd. | Racine, WI 53405-3022 | ph:(262) 635-0088 | fax:(262) 635-0883 | info@bicpa.com | www.bicpa.com

HEALING OASIS WELLNESS CENTER, LLC  
Balance Sheets  
December 31, 2017 and 2016

	Assets	
	2017	2016
Current Assets		
Cash In Bank	\$ 16,157.52	\$ 39,206.76
Savings	<u>26,761.33</u>	<u>61,558.10</u>
Total Current Assets	42,918.85	100,764.86
Property and Equipment		
Buildings	144,000.00	144,000.00
Equipment	23,852.46	21,696.96
Leasehold Improvements	<u>15,447.40</u>	<u>15,447.40</u>
	183,299.86	181,144.36
Less Accumulated Depreciation	<u>(79,336.84)</u>	<u>(72,595.12)</u>
Net Property and Equipment	<u>103,963.02</u>	<u>108,549.24</u>
Total Assets	<u>\$ 146,881.87</u>	<u>\$ 209,314.10</u>

	Liabilities and Equity	
	2017	2016
Current Liabilities		
Accounts Payable	\$ <u>8,700.00</u>	\$ <u>8,456.89</u>
Total Current Liabilities	8,700.00	8,456.89
Long-Term Liabilities		
Note Payable - Member	<u>14,403.05</u>	<u>4,990.81</u>
Total Long-Term Liabilities	14,403.05	4,990.81
Member's Equity	<u>123,778.82</u>	<u>195,866.40</u>
Total Liabilities and Equity	<u>\$ 146,881.87</u>	<u>\$ 209,314.10</u>

See accountants' report and notes to financial statements.

HEALING OASIS WELLNESS CENTER, LLC  
Statements of Income and Member's Equity  
For the Years Ended December 31, 2017 and 2016

	2017	%	2016	%
Sal Total Sales	\$ 218,497.57	100.00%	\$ 268,709.61	100.00%
Operating Expenses				
Legal and Accounting	2,108.22	0.96%	5,181.46	1.93%
Advertising Expense	-	0.00%	963.70	0.36%
Mileage Reimbursement Expense	-	0.00%	42.00	0.02%
Contributions	200.00	0.09%	212.00	0.08%
Dues and Subscriptions	3,204.00	1.47%	6,645.00	2.47%
Licenses and Fees	10.00	0.00%	250.00	0.09%
Miscellaneous Expense	2,287.02	1.05%	40.00	0.01%
Postage and Delivery	2,687.00	1.23%	1,223.13	0.46%
Insurance	1,411.40	0.65%	1,210.53	0.45%
Seminars and Education	14,156.73	6.48%	8,965.40	3.34%
Travel and Lodging	975.00	0.45%	1,981.20	0.74%
Meals and Entertainment	5,070.10	2.32%	3,752.54	1.40%
Depreciation Expense	6,741.72	3.09%	6,802.84	2.53%
Repairs and Maintenance	9,296.36	4.25%	13,915.86	5.18%
Biological Waste Disposal	-	0.00%	40.00	0.01%
Office Expense	12,197.97	5.58%	6,834.52	2.54%
Library Expense	-	0.00%	1,145.78	0.43%
Rent	20,000.00	9.15%	20,000.00	7.44%
School Instructors	89,521.47	40.97%	89,003.34	33.12%
Supplies	19,422.02	8.89%	13,998.24	5.21%
Wage Expense	90,870.00	41.59%	93,155.00	34.67%
FICA Tax Expense	6,951.56	3.18%	7,126.40	2.65%
Federal Unemployment Tax Expense	97.71	0.04%	168.00	0.06%
State Unemployment Tax Expense	854.00	0.39%	984.27	0.37%
Pension Expense	2,726.10	1.25%	2,726.10	1.01%
Total Operating Expenses	290,788.38	133.09%	286,367.31	106.57%
Operating Income (Loss)	(72,290.81)	-33.09%	(17,657.70)	-6.57%
Other Income (Expenses)				
Interest Income	203.23	0.09%	260.51	0.10%
Total Other Income (Expenses)	203.23	0.09%	260.51	0.10%
Net Income (Loss)	(72,087.58)	-32.99%	(17,397.19)	-6.47%
Member's Equity, Beginning	195,866.40		213,263.59	
Distributions	-		-	
Member's Equity, Ending	\$ 123,778.82		\$ 195,866.40	

See accountants' report and notes to financial statements.

HEALING OASIS WELLNESS CENTER, LLC  
Statements of Cash Flows  
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Net Income (Loss)	\$ (72,087.58)	\$ (17,397.19)
Adjustments to reconcile net income (loss) to net cash provided (used) operating activities:		
Depreciation	6,741.72	6,802.84
Increase (decrease) in accounts payable	243.11	8,456.89
Total Adjustments	<u>6,984.83</u>	<u>15,259.73</u>
Net Cash Provided (Used) by Operating Activities	(65,102.75)	(2,137.46)
Cash Flows from Investing Activities		
Cash payments for the purchase of property	<u>(2,155.50)</u>	<u>(10,167.40)</u>
Net Cash Provided (Used) by Investing Activities	(2,155.50)	(10,167.40)
Cash Flows from Financing Activities		
Net Loan Activity from Member	9,412.24	4,990.81
Member Draws	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>9,412.24</u>	<u>4,990.81</u>
Net Increase (Decrease) in Cash	(57,846.01)	(7,314.05)
Cash, Beginning	<u>100,764.86</u>	<u>108,078.91</u>
Cash, Ending	<u><u>\$ 42,918.85</u></u>	<u><u>\$ 100,764.86</u></u>

See accountants' report and notes to financial statements.

HEALING OASIS WELLNESS CENTER, LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
(See accountants' report.)

1. Summary of Significant Accounting Policies

Nature of business

The center is an educational institution dedicated to advancement of veterinary spinal manipulative therapy, veterinary massage and rehabilitation therapy, advance neurology-VSMT and to provide up to date continuing education seminars.

Property and Equipment

Property and equipment are recorded at cost, whereas expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is based on the estimated useful life of the fixed asset and is computed by use of modified accelerated cost recovery system (MACRS) for reporting purposes and tax purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Accounting principles and policies used in preparation of financial statements are also used for income tax purposes.

The Company and its members have elected for Federal and State income tax purposes to be treated as an S Corporation under provisions of the Internal Revenue Code for periods beginning after December 31, 2014. Accordingly, the Company's taxable income is includable in the members' individual tax returns and, therefore, no provision for income taxes is included in these financial statements.

2. Revenue

Tuition payments are required by students at the time of registration. All tuition payments are recognized as revenue as received.

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(See accountants' report.)

3. Operating Lease

The Center leases its office premises from the members of the LLC on a month to month lease. Total rent paid in 2017 and 2016 was \$20,000 and \$20,000 respectively.

4. SIMPLE Plan

The Center maintains a SIMPLE plan. Employer contributions to the plan are 100% match of the employee's deduction with a maximum contribution of 3% of gross wages to eligible employees. The employer matching contributions for the years ended December 31, 2017 and 2016 were \$2,726.10 and \$2,726.10 respectively.