

HEALING OASIS WELLNESS CENTER, LLC

FINANCIAL STATEMENTS WITH
ACCOUNTANTS' REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021



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, 2022 and 2021, 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

January 21, 2023

Darlene M. Lotz, CPA ? Mark W. Leeder, CPA ? Richard J. Kutch, CPA

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HEALING OASIS WELLNESS CENTER, LLC
Balance Sheets
December 31, 2022 and 2021

	Assets	
	2022	2021
Current Assets		
Cash In Bank	\$ 165,442.52	\$ 197,303.79
Total Current Assets	165,442.52	197,303.79
 Property and Equipment		
Buildings	144,000.00	144,000.00
Equipment	48,291.61	48,291.61
Leasehold Improvements	56,746.66	56,746.66
	249,038.27	249,038.27
Less Accumulated Depreciation	(130,106.44)	(119,649.26)
Net Property and Equipment	118,931.83	129,389.01
 Other Assets		
Trademark (Net of Amortization)	2,050.00	2,250.00
Total Assets	\$ 286,424.35	\$ 328,942.80

	Liabilities and Equity	
	2022	2021
Current Liabilities		
Accounts Payable	\$ 4,192.13	\$ 7,099.75
Deferred Income - Student Tuition	64,590.00	25,400.00
Total Current Liabilities	68,782.13	32,499.75
 Long-Term Liabilities		
Note Payable - Member	22,580.14	24,296.41
Total Long-Term Liabilities	22,580.14	24,296.41
 Member's Equity		
	195,062.08	272,146.64
Total Liabilities and Equity	\$ 286,424.35	\$ 328,942.80

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, 2022 and 2021

	2022	%	2021	%
Sales	\$ 250,262.58	100.00%	\$ 353,346.16	100.00%
Operating Expenses				
Legal and Professional Fees	4,742.38	1.89%	2,839.44	0.80%
Advertising Expense	7,520.46	3.01%	17,610.85	4.98%
Dues and Subscriptions	8,859.27	3.54%	12,835.30	3.63%
Licenses and Fees	-	0.00%	-	0.00%
Miscellaneous	-	0.00%	1,020.00	0.29%
Postage and Delivery	1,423.15	0.57%	1,346.87	0.38%
Insurance	-	0.00%	1,589.50	0.45%
Seminars and Education	11,446.95	4.57%	12,137.86	3.44%
Meals and Entertainment	45.00	0.02%	-	0.00%
Depreciation and Amortization Expense	10,657.18	4.26%	12,296.24	3.48%
Repairs and Maintenance	40,633.13	16.24%	29,230.35	8.27%
Office Expense	2,798.40	1.12%	3,060.11	0.87%
Library Expense	4,630.56	1.85%	3,851.09	1.09%
Rent	16,800.00	6.71%	16,800.00	4.75%
Utilities and Telephone	1,234.07	0.49%	440.00	0.12%
School Instructors	113,589.10	45.39%	61,028.65	17.27%
Supplies	19,153.38	7.65%	15,759.75	4.46%
Wage Expense	75,653.28	30.23%	65,966.81	18.67%
FICA Tax Expense	5,787.47	2.31%	4,904.94	1.39%
Federal Unemployment Tax Expense	84.00	0.03%	84.00	0.02%
State Unemployment Tax Expense	19.72	0.01%	38.17	0.01%
Pension Expense	2,269.64	0.91%	2,120.56	0.60%
	<u>327,347.14</u>	<u>130.80%</u>	<u>264,960.49</u>	<u>74.99%</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(77,084.56)</u>	<u>-30.80%</u>	<u>88,385.67</u>	<u>25.01%</u>
Net Income (Loss)	<u>(77,084.56)</u>	<u>-30.80%</u>	<u>88,385.67</u>	<u>25.01%</u>
Member's Equity, Beginning	<u>272,146.64</u>		<u>183,760.97</u>	
Member's Equity, Ending	<u>\$ 195,062.08</u>		<u>\$ 272,146.64</u>	

See accountants' report and notes to financial statements.

HEALING OASIS WELLNESS CENTER, LLC
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Net Income (Loss)	\$ (77,084.56)	\$ 88,385.67
Adjustments to reconcile net income (loss) to net cash provided (used) operating activities:		
Depreciation and amortization	10,657.18	12,296.24
Increase (decrease) in accounts payable	(2,907.62)	5,699.75
Increase (decrease) in deferred revenue	39,190.00	(27,480.00)
Total Adjustments	<u>46,939.56</u>	<u>(9,484.01)</u>
Net Cash Provided (Used) by Operating Activities	(30,145.00)	78,901.66
Cash Flows from Investing Activities		
Cash payments for the purchase of property	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	-	-
Cash Flows from Financing Activities		
Net payment on shareholder loan	<u>(1,716.27)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	(1,716.27)	-
Net Increase (Decrease) in Cash	(31,861.27)	78,901.66
Cash, Beginning	<u>197,303.79</u>	<u>118,402.13</u>
Cash, Ending	<u>\$ 165,442.52</u>	<u>\$ 197,303.79</u>

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HEALING OASIS WELLNESS CENTER, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(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.

Trademark

Trademark costs are being amortized on a straight-line basis over fifteen years.

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.

HEALING OASIS WELLNESS CENTER, LLC
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2. Revenue

Tuition payments are required by students at the time of registration. Tuition payments received in advance have been recorded as deferred revenue. As of December 31, 2022 and 2021, \$64,590 and \$25,400 was collected for the 2023 and 2022 education year, respectively.

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 2022 and 2021 was \$16,800 and \$16,800 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, 2022 and 2021 were \$2,269.64 and \$2,120.56 respectively.