

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

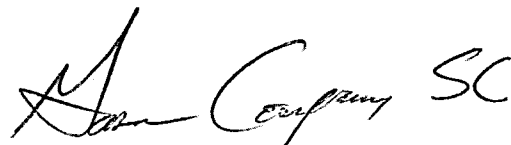
Serenity Now Massage & Bodywork LLC

Wausau, Wisconsin

Management is responsible for the accompanying financial statements of Serenity Now Massage & Bodywork LLC, which comprise the balance sheets-income tax basis as of December 31, 2022 and 2021, and the related statements of profit and loss - income tax basis and statements of cash flows for the years then ended in accordance with the income tax basis of accounting, and for determining that the income tax basis of accounting is an acceptable financial reporting framework. 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.



GASSNER COMPANY, S.C.
Certified Public Accountants

Wausau, Wisconsin
July 17, 2023

SERENITY NOW MASSAGE & BODYWORK LLC
Balance Sheet - Income Tax Basis
As of December 31, 2022

	<u>Dec 31, 22</u>	<u>Dec 31, 21</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
Cloverbelt Nail Acct	0.00	1,689.00	-1,689.00
Cloverbelt School Account	3,350.04	257.91	3,092.13
Cloverbelt Spa Account	3,707.36	4,783.57	-1,076.21
Cloverbelt Spa Savings	1,820.30	3,174.53	-1,354.23
Total Checking/Savings	<u>8,877.70</u>	<u>9,905.01</u>	<u>-1,027.31</u>
Other Current Assets			
Loan to Sweet Lolos	14,700.00	23,100.00	-8,400.00
Total Other Current Assets	<u>14,700.00</u>	<u>23,100.00</u>	<u>-8,400.00</u>
Total Current Assets	<u>23,577.70</u>	<u>33,005.01</u>	<u>-9,427.31</u>
Fixed Assets			
Accumulated Depreciation	-91,001.16	-85,213.37	-5,787.79
Building Improvements	75,716.16	74,671.21	1,044.95
Fence	3,434.00	3,434.00	0.00
Furniture and Equipment	52,486.88	52,486.88	0.00
Sign	11,864.33	11,864.33	0.00
Total Fixed Assets	<u>52,500.21</u>	<u>57,243.05</u>	<u>-4,742.84</u>
TOTAL ASSETS	<u><u>76,077.91</u></u>	<u><u>90,248.06</u></u>	<u><u>-14,170.15</u></u>
LIABILITIES & EQUITY			
Liabilities			
Long Term Liabilities			
Loan	184,398.43	194,389.80	-9,991.37
Total Long Term Liabilities	<u>184,398.43</u>	<u>194,389.80</u>	<u>-9,991.37</u>
Total Liabilities	<u>184,398.43</u>	<u>194,389.80</u>	<u>-9,991.37</u>
Equity			
Members Draw	-211,616.55	-209,459.32	-2,157.23
Members Equity	105,317.58	85,605.42	19,712.16
Net Income	-2,021.55	19,712.16	-21,733.71
Total Equity	<u>-108,320.52</u>	<u>-104,141.74</u>	<u>-4,178.78</u>
TOTAL LIABILITIES & EQUITY	<u><u>76,077.91</u></u>	<u><u>90,248.06</u></u>	<u><u>-14,170.15</u></u>

Unaudited. See Independent Accountant's Compilation Report

SERENITY NOW MASSAGE & BODYWORK LLC
Profit & Loss - Income Tax Basis
January through December 2022

	Jan - Dec 22	Jan - Dec 21	\$ Change
Ordinary Income/Expense			
Income			
School Income	65,611.00	89,952.14	-24,341.14
Spa Income	81,701.44	111,402.93	-29,701.49
Total Income	147,312.44	201,355.07	-54,042.63
Cost of Goods Sold			
Sales Tax	38.77	45.10	-6.33
Total COGS	38.77	45.10	-6.33
Gross Profit	147,273.67	201,309.97	-54,036.30
Expense			
Accounting Expense	2,383.65	1,808.61	575.04
Advertising and Promotion	535.00	10,300.00	-9,765.00
Automobile	8,250.00	8,250.00	0.00
Bank Service Charges	79.95	2,228.63	-2,148.68
Depreciation Expense	5,787.79	19,054.31	-13,266.52
Dues and Subscriptions	613.46	0.00	613.46
Health Insurance	4,993.40	0.00	4,993.40
Insurance Expense	1,033.74	1,287.50	-253.76
Interest Expense	12,467.93	0.00	12,467.93
Internet	0.00	965.89	-965.89
Licenses and Permits	0.00	589.72	-589.72
Massage Therapists	40,676.53	63,396.89	-22,720.36
Office Supplies	2,371.17	585.14	1,786.03
Operating supplies	0.00	16,500.00	-16,500.00
Outside services	6,747.28	2,234.83	4,512.45
Property taxes	2,814.06	6,188.73	-3,374.67
Rent Expense	31,200.00	32,500.00	-1,300.00
Repairs and Maintenance	3,783.26	4,382.51	-599.25
Supplies for School	12,000.00	1,750.00	10,250.00
Supplies for Spa	5,000.00	5,500.00	-500.00
Teaching Expense	0.00	1,656.25	-1,656.25
Telephone Expense	2,856.00	2,856.00	0.00
Utilities	5,709.36	6,398.98	-689.62
Total Expense	149,302.58	188,433.99	-39,131.41
Net Ordinary Income	-2,028.91	12,875.98	-14,904.89
Other Income/Expense			
Other Income			
Interest Income	7.36	9.24	-1.88
Other income	0.00	6,826.94	-6,826.94
Total Other Income	7.36	6,836.18	-6,828.82
Net Other Income	7.36	6,836.18	-6,828.82
Net Income	-2,021.55	19,712.16	-21,733.71

Unaudited. See Independent Accountant's Compilation Report

SERENITY NOW MASSAGE & BODYWORK LLC
 STATEMENTS OF CASH FLOWS - INCOME TAX BASIS
 For The Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Operating Activities:</u>		
Net Income	\$ (2,022)	\$ 19,712
Adjustments to Reconcile Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,788	19,054
(Gain) Loss on Sale of Assets		
Net Cash Provided (Used) by Operating Activities	3,766	38,766
<u>Cash Flows From Investing Activities:</u>		
Purchase of Property and Equipment	(1,045)	(14,311)
Receivable - Affiliates	8,400	(17,100)
Proceeds on Sale of Assets	-0-	-0-
Long-Term Accounts Receivable	-0-	-0-
Net Cash Provided (Used) by Investing Activities	<u>7,355</u>	<u>(31,411)</u>
<u>Cash Flows From Financing Activities:</u>		
Short Term Note Payable - Net Activity	(9,991)	-0-
Proceeds from Issuance of Debt	-0-	(2,000)
Equity Contributions	-0-	-0-
Equity Distributions	<u>(2,158)</u>	<u>(12,070)</u>
Net Cash Provided (Used) by Financing Activities	<u>(12,149)</u>	<u>(14,070)</u>
Net Increase (Decrease) in Cash	(1,028)	(6,715)
Cash at Beginning of Year	<u>9,905</u>	<u>-</u>
Cash at End of Year	<u>\$ 8,877</u>	<u>\$ (6,715)</u>
<u>Supplemental Cash Flows Information:</u>		
Cash Paid (Refunded) During the Year for:		
Interest	\$ 12,468	\$ -0-
Income Taxes	-0-	-0-
Distributions (Contributions)	2,158	12,070

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