

GASSNER CO., S.C.

Certified Public Accountants

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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, 2023 and 2022, 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
April 8, 2024

SERENITY NOW MASSAGE & BODYWORK LLC
Balance Sheet - Income Tax Basis
As of December 31, 2023 - Income Tax Basis

	Dec 31, 23	Dec 31, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Checking 050	679.22	0.00	679.22
Checking 051	4,705.00	0.00	4,705.00
Checking 052	405.00	0.00	405.00
Cloverbelt School Account	971.96	3,350.04	-2,378.08
Cloverbelt Spa Account	1,784.52	3,707.36	-1,922.84
Cloverbelt Spa Savings	1,820.30	1,820.30	0.00
Total Checking/Savings	10,366.00	8,877.70	1,488.30
Other Current Assets			
Loan to Sweet Lolas	11,360.00	14,700.00	-3,340.00
Total Other Current Assets	11,360.00	14,700.00	-3,340.00
Total Current Assets	21,726.00	23,577.70	-1,851.70
Fixed Assets			
Accumulated Depreciation	-98,179.16	-91,001.16	-7,178.00
Building Improvements	75,716.16	75,716.16	0.00
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	45,322.21	52,500.21	-7,178.00
TOTAL ASSETS	67,048.21	76,077.91	-9,029.70
LIABILITIES & EQUITY			
Liabilities			
Long Term Liabilities			
Loan	171,843.85	184,398.43	-12,554.58
Total Long Term Liabilities	171,843.85	184,398.43	-12,554.58
Total Liabilities	171,843.85	184,398.43	-12,554.58
Equity			
Members Draw	-214,175.68	-211,616.55	-2,559.13
Members Equity	103,296.03	105,317.58	-2,021.55
Net Income	6,084.01	-2,021.55	8,105.56
Total Equity	-104,795.64	-108,320.52	3,524.88
TOTAL LIABILITIES & EQUITY	67,048.21	76,077.91	-9,029.70

Unaudited. See Independent Accountant's Compilation Report

SERENITY NOW MASSAGE & BODYWORK LLC
Profit & Loss - Income Tax Basis
January through December 2023

	Jan - Dec 23	Jan - Dec 22	\$ Change
Ordinary Income/Expense			
Income			
School Income	71,537.68	65,611.00	5,926.68
Spa Income	68,421.32	81,701.44	-13,280.12
Total Income	139,959.00	147,312.44	-7,353.44
Cost of Goods Sold			
Sales Tax	12.80	38.77	-25.97
Total COGS	12.80	38.77	-25.97
Gross Profit	139,946.20	147,273.67	-7,327.47
Expense			
Accounting Expense	0.00	2,383.65	-2,383.65
Advertising and Promotion	99.01	535.00	-435.99
Automobile	0.00	8,250.00	-8,250.00
Bank Service Charges	2,693.82	79.95	2,613.87
Continuing Education	674.77	0.00	674.77
Depreciation Expense	7,178.00	5,787.79	1,390.21
Dues and Subscriptions	0.00	613.46	-613.46
Health Insurance	756.00	4,993.40	-4,237.40
Insurance Expense	1,640.15	1,033.74	606.41
Interest Expense	8,505.42	12,467.93	-3,962.51
Internet	1,655.64	0.00	1,655.64
Life Insurance	4,830.50	0.00	4,830.50
Massage Therapists	49,160.72	40,676.53	8,484.19
Office Supplies	882.76	2,371.17	-1,488.41
Operating supplies	833.69	0.00	833.69
Outside services	466.00	6,747.28	-6,281.28
Professional Fees	2,154.69	0.00	2,154.69
Property taxes	14,177.96	2,814.06	11,363.90
Rent Expense	10,308.80	31,200.00	-20,891.20
Repairs and Maintenance	6,779.80	3,783.26	2,996.54
Supplies for School	5,267.04	12,000.00	-6,732.96
Supplies for Spa	24,945.21	5,000.00	19,945.21
Teaching Expense	514.00	0.00	514.00
Telephone Expense	1,232.34	2,856.00	-1,623.66
Utilities	10,825.32	5,709.36	5,115.96
Total Expense	155,581.64	149,302.58	6,279.06
Net Ordinary Income	-15,635.44	-2,028.91	-13,606.53
Other Income/Expense			
Other Income			
Interest Income	9.51	7.36	2.15
Rent Income	21,709.94	0.00	21,709.94
Total Other Income	21,719.45	7.36	21,712.09
Net Other Income	21,719.45	7.36	21,712.09
Net Income	6,084.01	-2,021.55	8,105.56

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows From Operating Activities:</u>		
Net Income	\$ 6,084	\$ (2,022)
Adjustments to Reconcile Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	7,178	5,788
(Gain) Loss on Sale of Assets		
Net Cash Provided (Used) by Operating Activities	13,262	3,766
<u>Cash Flows From Investing Activities:</u>		
Purchase of Property and Equipment	-0-	(1,045)
Receivable - Affiliates	3,340	8,400
Proceeds on Sale of Assets	-0-	-0-
Long-Term Accounts Receivable	-0-	-0-
Net Cash Provided (Used) by Investing Activities	3,340	7,355
<u>Cash Flows From Financing Activities:</u>		
Short Term Note Payable - Net Activity	(12,555)	(9,991)
Proceeds from Issuance of Debt	-0-	-0-
Equity Contributions	-0-	-0-
Equity Distributions	(2,559)	(2,158)
Net Cash Provided (Used) by Financing Activities	(15,114)	(12,149)
Net Increase (Decrease) in Cash	1,488	(1,028)
Cash at Beginning of Year	8,877	9,905
Cash at End of Year	<u>\$ 10,366</u>	<u>\$ 8,877</u>
Supplemental Cash Flows Information:		
Cash Paid (Refunded) During the Year for:		
Interest	\$ 8,505	\$ 12,468
Income Taxes	-0-	-0-
Distributions (Contributions)	2,559	2,158

See Accountant's Compilation Report