

KBH786, LLC

FINANCIAL STATEMENTS

For the period ended

December 31, 2022

DAVID E. CLAMPITT, CPA, INC., P.C.

1401 S DOUGLAS BLVD, STE R MIDWEST CITY, OK 73130 (405)736-1099 FAX (405)265-9605

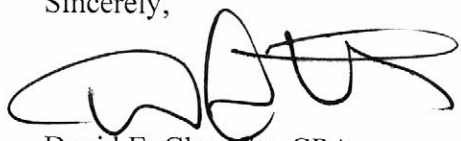
Management is responsible for the accompanying financial statements of KBH786, LLC which comprise the balance sheet-income tax basis as of December 31, 2022 and the related statement of income-income tax basis, and for determining that the tax-basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the 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 of the disclosures ordinarily included in financial statements prepared in accordance with the 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.

We are not independent with respect to KBH786, LLC.

Sincerely,

A handwritten signature in black ink, appearing to read 'David E. Clampitt', with a stylized flourish at the end.

David E. Clampitt, CPA

Midwest City, Oklahoma

February 1, 2023

KBH786, LLC
Balance Sheet
December 31, 2022

Assets

Current Assets

Cash in Bank	\$ (54.87)
Accounts Receivable	<u>13,990.92</u>

Total Current Assets	\$ 13,936.05
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Fixed Assets

Land	100,000.00
Building	150,000.00
Equipment	1,330,000.14
Accumulated Depreciation	<u>(1,070,034.00)</u>

Total Fixed Assets	509,966.14
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Other Assets	<u>197,294.00</u>
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Total Assets	\$ <u>721,196.19</u>
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Draft for discussion purpose Only

KBH786, LLC
Balance Sheet
December 31, 2022

Liabilities and Equity

Current Liabilities			
Accounts Payable	\$	10,012.18	
FICA & Fed Withholding Payable		561.70	
State Withholding Payable		<u>30.00</u>	
Total Current Liabilities	\$		10,603.88
Long Term Liabilities			
Note Payable		<u>1,302,490.06</u>	
Total Long Term Liabilities			1,302,490.06
Equity			
Retained Earnings		(515,596.50)	
Current Income (Loss)		<u>(76,301.25)</u>	
Total Equity			<u>(591,897.75)</u>
Total Liabilities & Equity	\$		<u><u>721,196.19</u></u>

Draft for discussion purpose Only

KBH786, LLC
Income Statement
For the Period Ended December 31, 2022

	12 Months Ended Dec. 31, 2022	Pct	12 Months Ended Dec. 31, 2022	Pct
Revenue				
Sales	\$ 116,246.00	107.87	\$ 116,246.00	107.87
Bankcard Discounts	<u>(8,479.47)</u>	<u>(7.87)</u>	<u>(8,479.47)</u>	<u>(7.87)</u>
Total Revenue	107,766.53	100.00	107,766.53	100.00
Cost of Sales	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	107,766.53	100.00	107,766.53	100.00
Operating Expenses				
Accounting & Legal	3,990.26	3.70	3,990.26	3.70
Bank Service Charges	138.00	0.13	138.00	0.13
Insurance - General	15,753.69	14.62	15,753.69	14.62
Interest	63,475.15	58.90	63,475.15	58.90
Officers' Salaries	0.00	0.00	0.00	0.00
Repairs & Maintenance	15,746.73	14.61	15,746.73	14.61
Salaries	34,511.00	32.02	34,511.00	32.02
Supplies	5,804.72	5.39	5,804.72	5.39
Taxes - Payroll	3,816.39	3.54	3,816.39	3.54
Taxes - Property	20,535.00	19.06	20,535.00	19.06
Telephone	1,933.68	1.79	1,933.68	1.79
Utilities	<u>18,363.16</u>	<u>17.04</u>	<u>18,363.16</u>	<u>17.04</u>
Total Expenses	184,067.78	170.80	184,067.78	170.80
Operating Income	<u>(76,301.25)</u>	<u>(70.80)</u>	<u>(76,301.25)</u>	<u>(70.80)</u>
Total Other Income	0.00	0.00	0.00	0.00
Net Income (Loss)	\$ <u><u>(76,301.25)</u></u>	<u><u>(70.80)</u></u>	\$ <u><u>(76,301.25)</u></u>	<u><u>(70.80)</u></u>

KBH 786, LLC

FINANCIAL STATEMENTS

For the period ended

December 31, 2023

DAVID E. CLAMPITT, CPA, INC., P.C.

1401 S DOUGLAS BLVD, STE R MIDWEST CITY, OK 73130 (405)736-1099 FAX (405)265-9605

Management is responsible for the accompanying financial statements of KBH786, LLC which comprise the balance sheet-income tax basis as of December 31, 2023, and the related statement of income-income tax basis, and for determining that the tax-basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

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We are not independent with respect to KBH 786, LLC.

Sincerely,

A handwritten signature in black ink, appearing to read 'David E. Clampitt', with a stylized flourish at the end.

David E. Clampitt, CPA

Midwest City, Oklahoma

May 21, 2024

KBH786, LLC
Balance Sheet
December 31, 2023

Assets

Current Assets

Cash in Bank	\$ 11,131.28
Accounts Receivable	<u>13,990.92</u>

Total Current Assets	\$ 25,122.20
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Fixed Assets

Land	100,000.00
Building	150,000.00
Equipment	1,330,000.14
Accumulated Depreciation	<u>(1,185,059.00)</u>

Total Fixed Assets	394,941.14
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Other Assets	<u>178,893.00</u>
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Total Assets	\$ <u>598,956.34</u>
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See Accompanying Accountant's Compilation Report

KBH786, LLC
Balance Sheet
December 31, 2023

Liabilities and Equity

Current Liabilities			
Accounts Payable	\$	10,012.18	
FICA & Fed Withholding Payable		697.98	
State Withholding Payable		<u>55.00</u>	
Total Current Liabilities	\$		10,765.16
Long Term Liabilities			
Note Payable		<u>1,272,757.11</u>	
Total Long Term Liabilities			1,272,757.11
Equity			
Retained Earnings		(447,609.93)	
Current Income (Loss)		<u>(236,956.00)</u>	
Total Equity			<u>(684,565.93)</u>
Total Liabilities & Equity	\$		<u><u>598,956.34</u></u>

KBH786, LLC
Income Statement
For the Period Ended December 31, 2023

	12 Months Ended Dec. 31, 2023	Pct	12 Months Ended Dec. 31, 2023	Pct
Revenue				
Sales	\$ 85,520.26	110.60	\$ 85,520.26	110.60
Bankcard Discounts	<u>(8,193.26)</u>	<u>(10.60)</u>	<u>(8,193.26)</u>	<u>(10.60)</u>
Total Revenue	77,327.00	100.00	77,327.00	100.00
Cost of Sales				
Total Cost of Sales	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gross Profit	77,327.00	100.00	77,327.00	100.00
Operating Expenses				
Accounting & Legal	7,876.80	10.19	7,876.80	10.19
Amortization	18,401.00	23.80	18,401.00	23.80
Bank Service Charges	88.50	0.11	88.50	0.11
Depreciation	115,025.00	148.75	115,025.00	148.75
Insurance - General	14,642.98	18.94	14,642.98	18.94
Interest	62,075.93	80.28	62,075.93	80.28
Officers' Salaries	0.00	0.00	0.00	0.00
Repairs & Maintenance	8,406.28	10.87	8,406.28	10.87
Salaries	41,237.00	53.33	41,237.00	53.33
Supplies	2,430.32	3.14	2,430.32	3.14
Taxes - Payroll	3,538.88	4.58	3,538.88	4.58
Taxes - Property	19,428.00	25.12	19,428.00	25.12
Telephone	2,378.62	3.08	2,378.62	3.08
Utilities	<u>18,753.69</u>	<u>24.25</u>	<u>18,753.69</u>	<u>24.25</u>
Total Expenses	<u>314,283.00</u>	<u>406.43</u>	<u>314,283.00</u>	<u>406.43</u>
Operating Income	<u>(236,956.00)</u>	<u>(306.43)</u>	<u>(236,956.00)</u>	<u>(306.43)</u>
Total Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income (Loss)	\$ <u><u>(236,956.00)</u></u>	<u><u>(306.43)</u></u>	\$ <u><u>(236,956.00)</u></u>	<u><u>(306.43)</u></u>

See Accompanying Accountant's Compilation Report

KBH786, LLC

FINANCIAL STATEMENTS

For the period ended

December 31, 2024

DAVID E. CLAMPITT, CPA, INC., P.C.

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We are not independent with respect to KBH786, LLC.

Sincerely,

A handwritten signature in black ink, appearing to read 'DE Clampitt', with a stylized flourish at the end.

David E. Clampitt, CPA

Midwest City, Oklahoma

February 26, 2025

KBH786, LLC
Balance Sheet
December 31, 2024

Assets

Current Assets

Cash in Bank	\$ 6,947.03
Accounts Receivable	<u>13,990.92</u>

Total Current Assets	\$ 20,937.95
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Fixed Assets

Land	100,000.00
Building	150,000.00
Equipment	1,330,000.14
Accumulated Depreciation	<u>(1,244,429.00)</u>

Total Fixed Assets	335,571.14
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Other Assets	<u>160,492.00</u>
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Total Assets	\$ <u>517,001.09</u>
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DRAFT FOR DISCUSSION PURPOSE ONLY

KBH786, LLC
Balance Sheet
December 31, 2024

Liabilities and Equity

Current Liabilities			
Accounts Payable	\$	10,012.18	
FICA & Fed Withholding Payable		696.50	
State Withholding Payable		<u>55.00</u>	
Total Current Liabilities	\$		10,763.68
Long Term Liabilities			
Note Payable		<u>1,241,734.51</u>	
Total Long Term Liabilities			1,241,734.51
Equity			
Retained Earnings		(532,324.03)	
Current Income (Loss)		<u>(203,173.07)</u>	
Total Equity			<u>(735,497.10)</u>
Total Liabilities & Equity	\$		<u><u>517,001.09</u></u>

DRAFT FOR DISCUSSION PURPOSE ONLY

KBH786, LLC
Income Statement
For the Period Ended December 31, 2024

	12 Months Ended Dec. 31, 2024	Pct	12 Months Ended Dec. 31, 2024	Pct
Revenue				
Sales	\$ 56,524.90	111.11	\$ 56,524.90	111.11
Bankcard Discounts	<u>(5,654.14)</u>	<u>(11.11)</u>	<u>(5,654.14)</u>	<u>(11.11)</u>
Total Revenue	50,870.76	100.00	50,870.76	100.00
Cost of Sales				
Total Cost of Sales	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gross Profit	50,870.76	100.00	50,870.76	100.00
Operating Expenses				
Accounting & Legal	4,410.16	8.67	4,410.16	8.67
Amortization	18,401.00	36.17	18,401.00	36.17
Bank Service Charges	29.50	0.06	29.50	0.06
Depreciation	59,370.00	116.71	59,370.00	116.71
Insurance - General	16,039.34	31.53	16,039.34	31.53
Interest	60,786.28	119.49	60,786.28	119.49
Officers' Salaries	0.00	0.00	0.00	0.00
Repairs & Maintenance	12,197.84	23.98	12,197.84	23.98
Salaries	44,472.00	87.42	44,472.00	87.42
Supplies	1,983.39	3.90	1,983.39	3.90
Taxes - Payroll	3,524.53	6.93	3,524.53	6.93
Taxes - Property	16,500.00	32.44	16,500.00	32.44
Telephone	2,570.67	5.05	2,570.67	5.05
Utilities	<u>13,759.12</u>	<u>27.05</u>	<u>13,759.12</u>	<u>27.05</u>
Total Expenses	<u>254,043.83</u>	<u>499.39</u>	<u>254,043.83</u>	<u>499.39</u>
Operating Income	<u>(203,173.07)</u>	<u>(399.39)</u>	<u>(203,173.07)</u>	<u>(399.39)</u>
Total Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income (Loss)	\$ <u><u>(203,173.07)</u></u>	<u><u>(399.39)</u></u>	\$ <u><u>(203,173.07)</u></u>	<u><u>(399.39)</u></u>