

PRECISE AIR SYSTEMS, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Amount	% of net Sales
Contract revenue earned	\$ 14,161,943	100%
Cost of revenue earned	<u>9,327,281</u>	66%
Gross profit	4,834,663	34%
Operating expense	<u>4,135,560</u>	29%
Income from operation	699,103	5%
Other expense and income		
Interest income	0	
Interest expense	<u>(24,022)</u>	0%
Net income before provision for income taxes	675,081	5%
Income tax provision	<u> </u>	
Net income	675,081	5%
Retained earnings January 1, 2016		
Dividend	<u>0</u>	
Retained earnings December 31, 2016	\$ <u><u>675,081</u></u>	5%

PRECISE AIR SYSTEMS, INC.

BALANCE SHEET

December 31, 2016

ASSETS

Current assets		
Cash in the bank	\$	65,518
Accounts receivable-trade		1,412,398
Cost and estimated earnings in excess of billing on uncompleted contracts		
Cost and estimated earnings in excess of billing on uncompleted contracts		760,259
Retention		228,842
Loans to related parties		
Inventory		185,600
Notes receivable		144,100
Total current assets		2,796,717
Total Fixed Assets		191,613
Total Other Assets		244,100
	\$	<u>3,232,430</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable-trade	\$	747,991
Payroll tax payable		45,204
Income tax payable		
Loan payables-current		325,515
Billings in excess of costs and estimated earnings		<u>248,388</u>
Total current liabilities		1,367,098
Loan payables- long term		1,219,143
Total Liabilities		2,586,241
Shareholders' equity		
Common stocks		55,000
Distribution		(347,771)
Retained earnings		<u>263,879</u>
Total shareholders' equity		646,189
	\$	<u>3,232,430</u>