UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): May 28, 2019 (March 15, 2019)

FOCUS UNIVERSAL INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada	**000-55247**	**46-3355876**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2311 East Locust Street **Ontario, California**	**91761**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (626) 272-3883
Registrant's Fax Number, Including Area Code: (917) 791-8877

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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EXPLANATORY NOTE: This amendment to the Form 8-K Current Report initially filed on March 18, 2019 is filed to provide the required financial statements pertaining to the acquisition of AVX (as defined below).

Focus Universal Inc. (the "Company," "we," "us" or "our") was incorporated in Nevada on December 4, 2012. Prior to the Acquisition (as defined below), our business plan was to be a provider of handheld sensor devices and a wholesaler of various air filtration systems. We acquired AVX Design & Integration, Inc., an Internet of Things ("IoT") installation company ("AVX"), to expand into the home automation and commercial security markets.

On March 15, 2019, the Company entered into a stock purchase agreement with Patrick Calderone, the owner of AVX, whereby the Company purchased 100% of the outstanding stock of AVX (the "Acquisition"). Pursuant to the Acquisition, the Company purchased all 2,000 shares of the outstanding common stock of AVX for $875,000. The purchase price was structured as follows: (1) $550,000 payable in cash at closing; (2) $275,000 payable in 39,286 shares of the Company's common stock issued upon closing; and (3) $50,000 payable in the form of a secured promissory note at 6% interest over 12 months secured by six shares of AVX common stock.

AVX is an IoT installation and management company based in southern California and was established in 2000 by Patrick Calderone. AVX works with designers, builders, and other professionals to design and install high-end technology into living spaces of high-end consumer homes and corporate conference rooms. The Company with this business combination can now expand into the home automation and commercial security markets.

This Current Report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, which are filed as exhibits hereto and incorporated herein by reference. Readers should review those agreements for a complete understanding of the terms and conditions associated with the transactions described herein.

This Current Report is being filed in connection with a series of transactions consummated by the Company and certain related events and actions taken by the Company.

This Current Report responds to the following Items in Form 8-K:

Item 2.01 Completion of Acquisition or Disposition of Assets

Item 9.01 Financial Statements and Exhibits

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

THE ACQUISITION AND RELATED TRANSACTIONS

On March 15, 2019, Focus Universal Inc., a Nevada corporation (the “Company”), completed a transaction with Patrick Calderone to purchase 100% of the outstanding stock of AVX Design & Integration, Inc., previously known as AVX Audio Video Experience, Inc. (“AVX”), an Internet of Things (“IoT”) installation company (the “Acquisition”). Pursuant to the Acquisition, the Company purchased all 2,000 shares of the outstanding common stock of AVX for $875,000. The purchase price was structured as follows: (1) $550,000 payable in cash at closing; (2) $275,000 payable in 39,286 shares of the Company’s common stock issued upon closing; and (3) $50,000 payable in the form of a secured promissory note at 6% interest over 12 months secured by six shares of AVX common stock. This description of the Acquisition and related transactions are qualified by reference to the full text of the various agreements attached as exhibits hereto. The Acquisition was closed on March 15, 2019. Patrick Calderone, the CEO of AVX, also entered into a consulting agreement with the Company pursuant to which he will offer 200 hours of consulting during the 12-month period following the Acquisition and will offer additional training for $150 per hour (for remote consultation) and $300 per hour (for on-site consultation).

Business Overview

The Company is entering the residential and commercial automation installation service industry through our acquisition of AVX. AVX was established in 2000 with the goal of providing high-performance, easy-to-use Audio/Video, Home Theater, Lighting Control, Automation and Integration services for high-net-worth residential projects. We intend to assist AVX by entering into the commercial and industrial markets as well as grow in the residential sector.

AVX designs from the ground up by working with designers, builders and other integrators, and has become an expert in making all systems integrate, creating CAD and line drawings for all electronic sub-systems and as-built drawings for completed projects.

AVX brings decades of experience in design and installation of distributed music, media rooms and home theaters with an emphasis on convenient and easy-to-operate control systems.

The primary customer base is made up of high-end contractors, designers and home owners. AVX also provides services to commercial clients.

AVX’s History

AVX was incorporated in California on June 16, 2000 as AVX Audio Visual Experience, Inc.; and in 2014, changed its name to AVX Design & Integration, Inc. AVX was wholly owned by its founder and CEO, Patrick Calderone, who has been managing AVX since it was established.

Vendors

The company is certified with high-end smart automation vendors mostly consisting of Crestron and Control4 to install full solutions for residential and commercial projects.

Operations

The company has a 2,500 square foot office and showroom in Culver City, CA with two service vans for field installations.

The employee staff consists of eleven well-trained employees. This staff includes a system planner, office manager, CAD designer, sales director and service technicians/integrators.

Home Automation and Commercial Security Market

According to BusinessWire,[1] analysts forecast the global residential and commercial security market will grow at a compound annual growth rate of over 11% from 2018 to 2022. The U.S. led the global market in 2017 with a market share of 43%, and the U.S. is expected to dominate the market through 2022.

According to estimates by advisory and consulting firm Barnes Associates, the U.S. market for monitoring and related residential electronic security services was over $27 billion in revenue in 2016 and has grown every year for the past ten years.[2] This market is characterized by stable revenues from contractually committed recurring monthly payments and has proven to be recession-resistant through the last two economic downturns.

Services

AVX has over twenty years of experience as an installation firm. AVX's portfolio of integrated home automation and commercial security products and services allows customers to remotely control, monitor and manage their homes and commercial spaces from any smart device.

Currently, AVX performs the following installations:

Multi-Room Audio/Video

- High quality music playback in every room of your house as well as outdoors
- Dedicated home theater installation
- Stream content over the internet from your Blu-ray player to any television or speaker in the house
- Fully integrated streaming of web radio stations, including Pandora, Rhapsody, iTunes and more
- Simple control from your Apple iPad, iPhone or Android device

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[1] Business Wire. August 14, 2018. https://www.businesswire.com/news/home/20180814005441/en/Global-Residential-Commercial-Security-Market-2018-2022-11

[2] Imperial Capital. Security Industry Monitor. December 2018. https://www.imperialcapital.com/publications/Industry/12052018840.pdf

Lighting

- Simple control of any light, from any keypad or remote
- Create lighting paths between key areas
- No more leaving lights on, press “AWAY” from any keypad to turn off everything
- Seamlessly integrates with any size project
- With Crestron lighting you have one integrator and eliminate the need for unnecessary programming

HVAC

- Stop heating and air conditioning system when no one is present
- Integrate with a single “AWAY” button on any remote, including mobile devices
- Control the temperature for the entire house from your remote control or iPad
- Automate simple timers or set the system to “VACATION” mode

Window Covering/Shades

- Reduce summer cooling costs by lowering shades to block or filter sunlight
- Perfectly integrated into the same remote control you use to change the channels on your television
- Hundreds of fabric choices for window coverings, including black-out shades

Licensing and Regulations

We are subject to laws, regulations and licensing requirements of federal, state and local authorities. We are also required to obtain various licenses and permits from state and local authorities in connection with the operation of our business. Although we are currently only operating out of California, we intend on offering our products and services in other states in the future, and the majority of states regulate in some manner: the sale, installation, servicing, monitoring or maintenance of home automation and commercial security systems. In the states that do not regulate such activity, our company and our employees are typically required to obtain and maintain licenses, certifications or similar permits from the state as a condition to engaging in the home automation and commercial security services business.

In addition, a number of local governmental authorities have adopted ordinances regulating the activities of security service companies, typically in an effort reduce false alarms in their jurisdictions. These ordinances require permits for individual electronic security systems, imposing fines (on either the subscriber or the company) for false alarms, discontinuing police response to notification of an alarm activation after an individual has had a certain number of false alarms, and requiring various types of verification prior to dispatching authorities.

We currently hold a seller’s permit from the California State Board of Equalization and a City of Santa Monica Business License Certificate. We anticipate obtaining more licenses to expand our business operations into cities and states that the Board of Directors deems it profitable to market our services.

Our sales and marketing practices are regulated by the federal, state and local agencies. These laws and regulations typically place restrictions on the manner in which products and services can be advertised and sold and provide residential purchasers with certain rescission rights.

Strategy of the AVX Acquisition

Focus Universal Inc. is a universal smart instrumentation platform developer and universal smart device manufacturer. We are also a wholesaler of various air filtration systems. In addition, we are interested in delivering smart home and security products and services.

The Ubiquitor, which is an IoT device that we have created and manufactured in limited quantities, is a platform that communicates with a group of sensors or probes of all types measurements with commercial and industrial application. The data readout is displayed on the computer, smartphone, or tablet display in a program or application we have created. We are designing the application software (the "App") to have a graphical representation of control and indicator elements common in real instruments, such as knobs, buttons, dials, and graphs, etc. Our developers are designing and implementing a soft control touch screen interface that supports real-time data monitoring and facilitates instrument control and operation.

Strategy and Marketing Plan as it relates to AVX

We purchased AVX because we believe that if we combine our sensors, in particular the Ubiquitor, with AVX's capabilities, we can help upgrade the homes to use wireless technologies, like smartphones, to control the smart home features. We also believe we can utilize the features in our Ubiquitor device to the AVX customers and enhance the capabilities tremendously. We think we can use AVX's platform and customer base to integrate Ubiquitor devices into home IoT systems.

RISK FACTORS

Risks Related to Our Acquisition of AVX

If we are unable to manage our anticipated post-Acquisition growth effectively, our business could be adversely affected.

We anticipate that a significant expansion of our operations and addition of operating subsidiaries, new personnel may be required in all areas of our operations in order to implement our post-Acquisition business plan. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully. For us to continue to manage such growth, we must put in place legal and accounting systems and implement human resource management and other tools. We have taken preliminary steps to put this structure in place. However, there is no assurance that we will be able to successfully manage this anticipated rapid growth. A failure to manage our growth effectively could materially and adversely affect our profitability.

Increasing competition within our industry could have an impact on our business prospects.

The IoT market is a growing industry where new competitors are entering the market frequently. These competing companies may have significantly greater financial and other resources than we have and may have been developing their products and services longer than we have been developing ours. Although our portfolio of products and related revenue stream sources are broad, increasing competition may have a negative impact on our profit margins.

You will be unable to ascertain the merits or risks of any particular target business' operations.

We may be affected by numerous risks inherent in the business operations of the entity with which we combine. Because we may seek to acquire businesses that potentially need financial, operational, strategic or managerial redirection, we may be affected by the risks inherent in the business and operations of a financially or operationally unstable entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We also cannot assure you that an investment in our securities will ultimately prove to be more favorable to investors than a direct investment, if such opportunity were available, in an acquisition target.

You may not have any assurance from an independent source that the price we are paying for the target in our business combination is fair to our stockholders from a financial point of view.

Unless we consummate our initial business combination with an affiliated entity, we are not required to obtain an opinion from an independent third party that the price we are paying is fair to our stockholders from a financial point of view. If we do not obtain an opinion, our stockholders will be relying on the judgment of our Board of Directors, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our tender offer documents, as applicable, related to our business combination.

Our success following our business combination likely will depend upon the efforts of management of the target business. The loss of any of the key personnel of the target's management team could make it more difficult to operate the target profitably.

Although key personnel may remain with the target business following a business combination, we can offer no assurance that any will do so. Moreover, as a result of the existing commitments of our key personnel, it is likely that we will retain some or all of the management of the target business to conduct its operations. The departure of any key members of the target's management team could thus make it more difficult to operate the post-combination business profitably. Moreover, to the extent that we will rely upon the target's management team to operate the post-combination business, we will be subject to risks regarding their managerial competence. While we intend to closely scrutinize the skills, abilities and qualifications of any individuals we retain after a business combination, our ability to do so may be limited due to a lack of time, resources or information. Accordingly, we cannot assure you that our assessment of these individuals will prove to be correct and that they will have the skills, abilities and qualifications we expect.

Our key personnel may negotiate employment or consulting agreements with a target business in connection with our business combination.

These agreements may provide for them to receive compensation following our business combination and, as a result, may cause them to have conflicts of interest in determining whether a particular business combination would be advantageous to us. Our key personnel may decide to remain with the company after the consummation of our business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to us after the consummation of our business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business and cause them to have conflicts of interest in determining whether a particular business combination would be advantageous to us.

The officers and directors of an acquisition candidate may resign upon consummation of our business combination. The loss of an acquisition target's key personnel could negatively impact the operations and profitability of our post-combination business.

The role of an acquisition candidate's key personnel upon the consummation of our business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with us following our business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place. The loss of an acquisition target's key personnel could negatively impact the operations and profitability of our post-combination business.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of AVX filed herewith are the following:

Filed herewith as Exhibit 99.2 are the audited financial statements of AVX for the fiscal years ended December 31, 2018 and 2017.

(b) Pro Forma Financial Information:

Filed herewith as Exhibit 99.3 is the unaudited pro forma condensed consolidated financial information of the Company and its subsidiaries.

(d) Exhibits

Exhibit Number	Description
10.1*	Form of Stock Purchase Agreement, as filed with the Commission on March 18, 2019.
10.2*	Form of Secured Promissory Note, as filed with the Commission on March 18, 2019.
10.3*	Form of Stock Pledge Agreement, as filed with the Commission on March 18, 2019.
10.4*	Form of Subscription Agreement, as filed with the Commission on March 18, 2019.
10.5*	Form of Consulting Agreement, as filed with the Commission on March 18, 2019.
99.1*	Press Release of Focus Universal Inc. dated March 15, 2019 as filed with the Commission on March 18, 2019.
99.2**	Audited financial statements of AVX for the fiscal years ended December 31, 2018 and 2017.
99.3**	Pro Forma Consolidated Financial Statements as of December 31, 2018 (unaudited)

* as filed with the Commission on March 18, 2019.
** filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	FOCUS UNIVERSAL, INC.
Date: May 28, 2019	By: /s/ Desheng Wang Name: Desheng Wang Title: Chief Executive Officer

Exhibit 99.2

AVX DESIGN & INTEGRATION, INC.
FOR THE YEARS ENDED DECEMBER 31, 2018, and 2017

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Focus Universal, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of AVX Design & Integration, Inc. (the "Company") as of December 31, 2018 and 2017, the related statements of operations, /stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s BF Borgers CPA PC
BF Borgers CPA PC

We have served as the Company’s auditor since 2017
Lakewood, CO
May 28, 2019

AVX DESIGN & INTEGRATION, INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2018 AND 2017

	December 31, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash	$ 103,193	$ 241,848
Accounts receivable, net	318,871	63,732
Inventories, net	32,638	35,697
Total Current Assets	454,702	341,277
Property and equipment, net	11,526	15,762
Other assets:		
Deposits	5,968	5,968
Total assets:	$ 472,196	$ 363,007
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 106,907	$ 77,175
Customer deposit	–	59,255
Total Current Liabilities	106,907	136,430
Non-current Liabilities		
Deferred rent	11,157	10,016
Total Non-Current Liabilities	11,157	10,016
Total Liabilities	118,064	146,446
Stockholders' Equity:		
Common stock, no par value, 10,000 shares authorized, 2,000 shares issued and outstanding as of December 31, 2018 and 2017	2,000	2,000
Retained earnings	352,132	214,561
Total stockholders' equity	354,132	216,561
Total Liabilities and Stockholders' Equity	$ 472,196	$ 363,007

The accompanying footnotes are an integral part of these combined financial statements

AVX DESIGN & INTEGRATION, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Revenue	1,788,702	$ 1,418,524
Total revenue	1,788,702	1,418,524
Cost of Revenue	968,807	974,395
Gross Profit	819,895	444,129
Operation Expenses:		
Selling	174,180	199,448
Professional fees	8,843	10,461
General and administrative	295,734	244,365
Total Operating Expenses	478,757	454,274
Income (Loss) from Operations	341,138	(10,145)
Other Income (Expense)		
Interest income (expense), net	(1,571)	(2,100)
Total other expense	(1,571)	(2,100)
Income (Loss) before income taxes	339,567	(12,245)
Income tax expense	2,361	3,916
Net Income (Loss)	$ 337,206	$ (16,161)
Weight Average Number of Common Shares Outstanding - Basic and Diluted	2,000	2,000
Net Loss per common share - Basic and diluted	$ 168.60	$ (8.08)

The accompanying footnotes are an integral part of these combined financial statements

AVX DESIGN & INTEGRATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Net Income (Loss)	$ 337,206	$ (16,161)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		–
Provision for accounts receivable allowance	40,366	(86,732)
Inventory reserve	–	11,465
Depreciation expense	4,236	14,668
Changes in Operating Assets and Liabilities:		
Accounts receivable	(295,505)	280,120
Inventories	3,059	(19,106)
Prepaid expenses	–	3,311
Accounts payable and accrued liabilities	29,732	21,282
Customer deposit	(59,255)	59,255
Deferred rent	1,141	2,849
Net cash flows provided by operating activities	60,980	270,951
Cash flows from investing activities:		
Purchase of property and equipment	–	(2,823)
Net cash flows used in investing activities	–	(2,823)
Cash flows from financing activities:		
Distribution	(199,635)	(170,169)
Net cash flows used in financing activities	(199,635)	(170,169)
Net Change in Cash	(138,655)	97,959
Cash - Beginning of Period	241,848	143,889
Cash - End of Period	$ 103,193	$ 241,848
Supplemental Disclosures for Statement of Cash Flows:		
Interest paid	$ –	$ –
Income tax paid	$ 2,361	$ 3,916

The accompanying footnotes are an integral part of these combined financial statements

AVX DESIGN & INTEGRATION, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Common stock			Retained		Total Stockholders'	
Description	**Shares**		**Amount**		**Earnings**		**Equity**
Balance - December 31, 2016	10,000	$	2,000	$	400,891	$	402,891
Net income	–		–		(16,161)		(16,161)
Distribution	–		–		(170,169)		(170,169)
Balance - December 31, 2017	10,000	$	2,000	$	214,561	$	216,561
Net loss	–		–		337,206		337,206
Distribution	–		–		(199,635)		(199,635)
Balance - December 31, 2018	10,000	$	2,000	$	352,132	$	354,132

The accompanying footnotes are an integral part of these combined financial statements

AVX DESIGN & INTEGRATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Organization and Operations

AVX Design & Integration, Inc. (the "Company"), was incorporated on June 16, 2000 in the state of California. The Company is an IoT installation and management company specializes high performance, easy to use Audio/Video, Home Theater, Lighting Control, Automation and Integration. Services include full integration of houses, apartment, commercial complex, office with audio, visual and control systems to fully integrate devices in the low voltage field. The Company's services also include partial equipment upgrade and installation.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash

The Company considers all highly liquid investments with a maturity of three months or less to be cash. At times, such investments may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limit. There were no cash equivalents held by the Company at December 31, 2018 and 2017.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by investing its cash with high credit quality financial institutions.

Fair Value of Financial Instruments

The Company follows paragraph ASC 825-10-50-10 for disclosures about fair value of its financial instruments and paragraph ASC 820- 10-35-37 ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements.

To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- Level 1: quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2: pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3: Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amount of the Company's financial assets and liabilities, such as cash and cash equivalent, prepaid expenses, accounts payable and accrued expenses, approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not however practical to determine the fair value of advances from stockholders, if any, due to their related party nature.

Inventory

Inventory is valued at the lower of the inventory's cost or net realizable value under the first-in-first-out method. Management compares the cost of inventory with its market value and an allowance is made to write down inventory to market value, if lower. Inventory allowances are recorded for obsolete or slow-moving inventory based on assumptions about future demand and marketability of products, the impact of new product introductions and specific identification of items, such as discontinued products. These estimates could vary significantly from actual requirements if future economic conditions, customer inventory levels or competitive conditions differ from expectations. The Company regularly reviews the value of inventory based on historical usage and estimated future usage. As of December 31, 2018 and 2017, inventory reserve amounted to $11,465 and $11,465, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Estimated useful lives range from three to thirty-nine years on all categories of depreciable assets. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is included in earnings. Maintenance and repairs are expensed currently. Major renewals and betterments are capitalized.

Long-term assets of the Company are reviewed when circumstances warrant as to whether their carrying value has become impaired. The Company considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. The Company also re-evaluates the periods of amortization to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

Revenue Recognition

Effective January 1, 2018, the Company adopted Topic 606, Revenue from Contracts with Customers, using the modified retrospective transition method. The adoption of the new revenue standards as of January 1, 2018 did not change the Company's revenue recognition as the majority of its revenues continue to be recognized when the customer takes control of its product or when service has been rendered. As the Company did not identify any accounting changes that impacted the amount of reported revenues with respect to its product revenues and services, no adjustment to retained earnings was required upon adoption.

In general, the Company's performance obligation is to transfer it products to its owner or completion of a portion of the service contract. Revenues from product sales are recognized when the customer obtains control of the products, which occurs at a point in time, typically upon delivery to the customer. Revenue from service are recognized when the recognized portion of agreed upon service is completed.

The Company's revenue mainly generates from sales of product and installation services of the related products. The Company evaluated its contracts and determined that the products sold within those contracts are generally capable of being distinct and accounted for as separate performance obligations. Performance obligation is satisfied when the finished goods product delivered to the customers. The installation services are based on estimated percentage of completion.

Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Company's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change. Allowance for doubtful accounts at December 31, 2018 and 2017 amounted to $42,335 and $1,969, respectively.

Commitments and Contingencies

The Company follows ASC 450-20 to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time that these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Income Tax Provision

Income taxes are accounted for using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to the difference between the tax basis of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized. There was no material deferred tax asset or liabilities as of December 31, 2018 and 2017.

As of December 31, 2018 and 2017, the Company did not identify any material uncertain tax positions.

Net Income (Loss) Per Common Share

Net income (loss) per common share is computed pursuant to ASC 260-10-45. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period.

Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

There were no potentially dilutive debt or equity instruments issued and outstanding at any time during the years ended December 31, 2018 and 2017.

Cash Flows Reporting

The Company adopted ASC 230-10-45-24 for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by ASC 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to ASC 830-230-45-1.

Subsequent Events

The Company follows the guidance in ASC 855-10-50 for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recent Accounting Pronouncements

Management has considered all recent accounting pronouncements issued since the last audit of the Company's financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

Note 3 – Accounts Receivable

Accounts receivables balance included services completed and projects billed

	December 31,	
	2018	2017
Accounts receivable	$ 360,956	$ 65,701
Allowance for doubtful accounts	(42,335)	(1,969)
Net balance	$ 318,621	$ 63,732

Bad debt expenses for the years ended December 31, 2018 and 2017 amounted to $44,208 and $2,294, respectively.

Note 4 – Property and Equipment

Property and equipment as of December 31, 2018 and 2017 consists of the following:

	December 31,	
	2018	2017
Automobile	$ 51,328	$ 51,328
Machinery and Equipment	31,463	31,463
Furniture and Fixture	1,636	1,636
Leasehold Improvement	14,532	14,532
Software	3,990	3,990
Total Cost	102,949	102,949
Accumulated depreciation	(91,423)	(87,187)
Properties and Equipment, net	$ 11,526	$ 15,762

Depreciation expense for the year ended December 31, 2018 and 2017 amounted to $4,236 and $14,668, respectively.

Note 5 – Commitments and Contingencies

On July 1st, 2015, the Company entered into a seven years and two months' lease agreement at Los Angeles for its office and equipment storage. The leased location is approximately 2,591 square feet with approximately 4,250 square feet of land. Future lease commitment is listed as follows.

Years	Amount
2019	$ 60,372
2020	62,183
2021	64,048
2022	43,655
2023	$ –

Total rent expense was $58,930 and $64,420 for the years ended December 31, 2018 and 2017, respectively.

Note 6 – Income Tax

Federal income taxes have not been provided because the Company has elected, by consent of its stockholder, to be treated as an S Corporation for federal income tax purposes as provided in Section 1362(a) of the Internal Revenue Code.

The Company’s income or loss and credits are passed through to the stockholder and combined with other personal income and deductions to determine taxable income on the individual tax returns.

In accordance with generally accepted accounting principles, the Company accounts for uncertainty in income taxes by recognizing tax positions in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

As of December 31, 2018 and 2017, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2018 and 2017, no interest or penalties were incurred. Under California law, the S corporation is subject to a 1.5 percent tax on its net income. The income tax is calculated under cash basis. Income tax for the years ended December 31, 2018 and 207 amounted to $2,361 and $3,916, respectively.

Note 7 – Stockholders’ Equity

Shares authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue is ten-thousand (10,000) shares of common stock.

Common stock

As of December 31, 2018 the Company had 2,000 shares of common stock issued and outstanding. The common stock does not have a par value.

Results of operations for the year ended December 31, 2018 compared to the year ended December 31, 2017.

Revenue, Cost of Sales and Gross Profit

Our gross revenue for the year ended December 31, 2018 and 2017 was $1,788,702 and $1,418,524, respectively. Revenue for the year ended December 31, 2018 increased $370,178 from 2017. The increase of revenue is due to increased number of projects obtained. There is no seasonal trend for most of the revenue as they are by need of installation and referrals. We expect steady growth of revenue annually as the referrals increases as result of the service we provided. Our cost of revenue for the years ended December 31, 2018 and 2017 was $968,807 and $974,395, respectively, resulting in a gross profit of $819,895 and $444,129 for the years ended December 31, 2018 and 2017, respectively. Cost of goods sold decreased, causing gross profit to increase from 2017 to 2018 due to changes in composition in the services rendered. We have increased proportion of small service jobs which consists of more labor than sales of products, which have higher margins.

Operating Costs and Expenses

The major components of our operating expenses for the years ended December 31, 2018 and 2017 are outlined in the table below:

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	Increase (Decrease) $
Selling	$ 174,180	$ 199,448	$ (25,268)
Professional fees	8,843	10,461	(1,618)
General and administrative	295,734	244,365	51,369
Total operating expenses	$ 478,757	$ 454,274	$ 24,483

Professional fees decreased slightly from $10,461 during the year ended December 31, 2017 to $8,843 during the December 31 2018, a decrease of $1,618. The decrease of professional fees mainly resulted from decreased in accounting services rendered by outside accountants.

General and administrative expenses of $295,734 incurred during the year ended December 31, 2018 primarily consisted of rent and storage of $58,930, payroll tax of $46,593, and insurance of $57,984. General and administrative expenses of $244,365 incurred during the year ended December 31, 2017 primarily consisted of rent and storage of $64,420, payroll tax of $39,756, insurance of $42,246, employee recognition of $16,781 and depreciation of $14,668. The increase was mainly due to increased of payroll tax and insurance expenses.

Net Income and Loss

During the year ended December 31, 2018 we incurred net income of $337,206 and for the year ended December 31, 2017 we incurred net loss of $16,161. The loss incurred in 2017 was due to lack of revenue for the year. We had less service projects in 2017, decreasing the amount of revenue from 2017 as well as gross profits and caused a small net loss for the year.

Liquidity and Capital Resources

Working Capital

	December 31, 2018	December 31, 2017
Current Assets	$ 454,702	$ 341,277
Current Liabilities	(106,907)	(136,430)
Working Capital	$ 347,795	$ 204,847

Cash Flows

The table below, for the periods indicated, provides selected cash flow information:

	For the Year Ended December 31, 2018	For the Year Ended December 31, 20187
Net cash provided by operating activities	$ 60,980	$ 270,951
Net cash used in investing activities	–	(2,823)
Net cash used in financing activities	(199,635)	(170,169)
Net change in cash	$ (138,655)	$ 97,959

Cash Flows from Operating Activities

Our net cash inflows from operating activities of $60,980 for the year ended December 31, 2018 was primarily the result of our net income of $337,206, and changes in our operating assets and liabilities. Our net cash inflows from operating activities of $270,950 for the year ended December 31, 2017, was primarily the result of receipt from accounts receivable.

We expect that cash flows from operating activities may fluctuate in future periods as a result of a number of factors, including fluctuations in our net revenues and operating results, utilization of new revenue streams, collection of accounts receivable, and timing of billings and payments.

Cash Flows from Investing Activities

The Company did not incur any cash flow from investing activities for the year ended December 31, 2018. The Company had cash outflows from investing activities of $2,823 due to purchases of property and equipment for the year ended December 31, 2017.

Cash Flows from Financing Activities

Our net cash outflows from financing activities of $199,635 for the year ended December 31, 2018 and $170,169 for the year ended December 31, 2017 are due to distribution to the shareholder of the Company.

Exhibit 99.3
Pro Forma

Focus Universal Inc.
and AVX Design & Integration, Inc.
Pro Forma Consolidated Financial Statements
(unaudited)

Contents

Focus Universal Inc.,
and AVX Design & Integration, Inc.
Pro Forma Consolidated Balance Sheet
As of December 31, 2018
(unaudited)

	Focus	AVX	Pro forma Adjustments		Pro forma Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$ 4,455,751	$ 103,193	$ (550,000)	a	$ 4,008,944
Accounts receivable	10,908	318,871			327,529
Accounts receivable - related party	39,625	–			39,779
Inventories, net	69,787	32,638			102,425
Prepaid expenses	115,833	–			115,833
Total Current Assets	4,691,904	454,702	(550,000)		4,596,606
Property and equipment, net	4,578,135	11,526			4,589,661
Other assets:					
Deposits	7,872	5,968			13,840
Goodwill	–	–	592,264	a	592,264
Total assets:	$ 9,277,911	$ 472,196	$ 42,264		$ 9,792,371
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable and accrued liabilities	$ 163,661	$ 106,907	$ –		$ 270,568
Accounts payable - related party	4,921	–			4,921
Note payable - short term	–	–	50,000	a	50,000
Other payable	7,210	–			7,210
Customer deposit	36,184	–			36,184
Total Current Liabilities	211,976	106,907	50,000		368,883
Non-current Liabilities					
Deferred rent	–	11,157			11,157
Total Non-Current Liabilities	–	11,157	–		11,157
Total Liabilities	211,976	118,064	50,000		380,040
Stockholders' Equity					
Common stocks	40,907	2,000	(1,961)	a	40,946
Additional paid-in capital	12,956,486	–	290,677	a	13,247,163
Shares to be issued, common shares	72,000	–			72,000
Retained earnings (Accumulated deficit)	(4,003,458)	352,132	(296,452)	a	(3,947,778)
Total stockholders' equity	9,065,935	354,132	(7,736)		9,412,331
Total Liabilities and Stockholders' Equity	$ 9,277,911	$ 472,196	$ 42,264		$ 9,792,371

Focus Universal Inc.,
and AVX Design & Integration, Inc.
Pro Forma Consolidated Statement of Operation
For the year ended December 31, 2018
(unaudited)

	Focus	AVX	Pro forma Adjustments	Pro forma Consolidated
Revenue	$ 285,929	$ 1,788,702	$ –	$ 2,074,631
Revenue - related party	22,200	–	–	22,200
Total revenue	308,129	1,788,702	–	2,096,831
Cost of Revenue	137,897	968,807	–	1,106,704
Gross Profit	170,232	819,895	–	990,127
Operation Expenses:				
Selling	–	174,180	–	174,180
Compensation - officers	120,000	–	–	120,000
Research and development	221,510	–	–	221,510
Professional fees	960,846	8,843	–	969,689
General and administrative	451,597	295,734	–	747,331
Total Operating Expenses	1,753,953	478,757	–	2,232,710
Income (Loss) from Operations	(1,583,721)	341,138	–	(1,242,583)
Other Income (Expense)				
Interest income (expense), net	(440,943)	(1,571)	–	(442,514)
Total other expense	(440,943)	(1,571)	–	(442,514)
Income (Loss) before income taxes	(2,024,664)	339,567	–	(1,685,458)
Tax expense	–	2,361	–	2,361
Net Income (Loss)	$ (2,024,664)	$ 337,206	$ –	$ (1,687,458)
Weight Average Number of Common Shares Outstanding - Basic and Diluted	37,778,614	–	–	37,778,614
Net Loss per common share				
Basic and diluted	$ (0.05)	–	–	$ (0.04)

Focus Universal Inc.,
and AVX Design & Integration, Inc.
Pro Forma Consolidated Balance Sheet
As of March 31, 2019
(unaudited)

	Focus	AVX	Pro forma Adjustments	Pro forma Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 3,366,986	$ 187,989	$ –	$ 3,554,975
Accounts receivable	16,225	530,413	–	546,638
Accounts receivable - related party	2,000	–	–	2,000
Inventories, net	40,283	5,164	–	45,447
Other receivables	–	2,151	–	2,151
Prepaid expenses	71,640	–		71,640
Total Current Assets	3,497,134	725,717	–	4,222,851
Property and equipment, net	4,726,476	10,235	–	4,736,711
Operating lease right-of-use assets	–	184,416	–	184,416
Investment	890,716	–	(890,716) a	–
Deposits	7,872	5,968		13,840
Goodwill	–	–	307,572 a	307,572
Total assets:	$ 9,122,198	$ 926,336	$ (583,144)	$ 9,465,390
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable and accrued liabilities	$ 170,860	$ 77,803	$ –	$ 248,663
Customer deposit	25,717	–	–	25,717
Current maturities of operating leases	–	51,329		51,329
Promissory note - short term	41,500	–	–	41,500
Total Current Liabilities	238,077	129,132	–	367,209
Non-current Liabilities				
Promissory note - long term	8,500	–	–	8,500
Noncurrent operating leases	–	144,313	–	144,313
Total Liabilities	246,577	273,445	–	520,022
Stockholders' Equity (Deficit):				
Common stock	40,959	2,000	(2,000) a	40,959
Additional paid-in capital	13,343,659	–	–	13,343,659
Shares to be issued, common shares	11,491	–	–	11,491
Accumulated deficit	(4,520,488)	650,891	(581,144) a	(4,450,741)
Total stockholders' equity	8,875,621	652,891	(583,144)	8,945,368
Total Liabilities and Stockholders' Equity	$ 9,122,198	$ 926,336	$ (583,144)	$ 9,465,390

Focus Universal Inc.,
and AVX Design & Integration, Inc.
Pro Forma Consolidated Statement of Operation
For the three months ended March 31, 2019
(unaudited)

	Focus	AVX	Pro forma Adjustments	Pro forma Consolidated
Revenue	$ 111,193	$ 724,100	$	$ 835,293
Revenue - related party	3,000	–		3,000
Total revenue	114,193	724,100		838,293
Cost of Revenue	87,179	173,234		260,413
Gross Profit	27,014	550,866		577,880
Operation Expenses:				
Selling	–	91,849		91,849
Compensation - officers	30,000	21,775		51,775
Research and development	62,004	–		62,004
Professional fees	353,845	14,682		368,527
General and administrative	98,920	71,227		169,347
Total Operating Expenses	544,769	199,533		744,302
Loss from Operations	(517,755)	351,292		(166,422)
Other Income (Expense)				
Interest income (expense), net	725	(41)		684
Total other expense	725	(41)		684
Loss before income taxes	(517,030)	351,292		(165,738)
Tax expense	–	–		–
Net Loss	$ (517,030)	$ 351,292	$	$ (165,738)
Weight Average Number of Common Shares Outstanding - Basic and Diluted	40,917,475			40,917,475
Net Loss per common shares - Basic and diluted	$ (0.01)			$ (0.00)

Focus Universal Inc.
and AVX Design & Integration, Inc.
Notes to Pro Forma Consolidated Financial Statements

NOTE 1 - BASIS OF PRESENTATION

On March 15, 2019, Focus Universal Inc. (the "Company") (OTCQB: FCUV) entered into a stock purchase agreement with AVX Design & Integration, Inc. ("AVX") whereby the Company purchased 100% of the outstanding stock of AVX, an Internet of Things ("IoT") installation company (the "Acquisition Transaction"). Pursuant to the Acquisition Transaction, the Company will purchase all 2,000 shares of the outstanding common stock of AVX for $875,000. The purchase price will be paid as follows: (1) $550,000 payable in cash at closing; (2) $275,000 payable in 39,286 shares of the Company's common stock issued upon closing; and (3) $50,000 payable in the form of a secured promissory note at 6% interest over 12 months secured by six shares of AVX common stock.

AVX is an IoT installation and management company, based in southern California that was established in 1993 by Patrick Calderone. AVX is a design and installation provider for high performance Audio Visual, Home Theater, Lighting Control, Automation and Integration There are approximately 11 employees and is currently based in Culver City, California.

The accompanying pro forma consolidated balance sheet presents the accounts of The Company and AVX as if the transactions occurred December 31, 2018 and March 31, 2019. The accompanying pro forma consolidated statement of operations presents the accounts of the Company and AVX for the year ended December 31, 2018 and three months ended March 31, 2019 as if the transactions occurred on January 1, 2018 and 2019.

The following adjustments would be required if the acquisition occurred as indicated above:

a) To record the purchase price allocation and to eliminate the common stock and retained earnings of AVX.

The unaudited consolidated pro forma financial information is presented for informational purposes only and is subject to a number of uncertainties and assumptions and do not purport to represent what the company's actual performance or financial position would have been had the transaction occurred on the dates indicated and does not purport to indicate the financial position or results of operations as of any future date or for any future period.