

**MEDFORD BREWING COMPANY
MEDFORD, MASSACHUSETTS
FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT
December 31, 2019**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Medford Brewing Company
Medford, Massachusetts

We have reviewed the accompanying balance sheet of Medford Brewing Company as of December 31, 2019 and the related statements of income and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Paul T. O'Reilly & Company, Inc.
Watertown, MA
April 7, 2020

MEDFORD BREWING COMPANY

BALANCE SHEET

DECEMBER 31, 2019

ASSETS

	<u>2019</u>
CURRENT ASSETS	
Cash and Cash Equivalents	275,598
Accounts Receivable	0
TOTAL CURRENT ASSETS	275,598
FIXED ASSETS	
Equipment	2,901
Less: Accumulated Depreciation	2,901
TOTAL FIXED ASSETS	0
TOTAL ASSETS	275,598

LIABILITIES AND SHAREHOLDERS EQUITY

CURRENT LIABILITIES	
Credit Cards	40
TOTAL CURRENT LIABILITIES	40
LONG TERM LIABILITIES	
Loans from Shareholders	24,933
Note Payable	280,849
TOTAL LONG TERM LIABILITIES	305,782
TOTAL LIABILITIES	305,822
SHAREHOLDERS EQUITY	
Capital Stock	1,000
Retained Earnings	(31,224)
TOTAL SHAREHOLDERS EQUITY	(30,224)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	275,598

MEDFORD BREWING COMPANY
STATEMENT OF PROFIT AND LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019

	<u>2019</u>
INCOME	85,430
COST OF GOODS SOLD	62,796
GROSS PROFIT	22,634
EXPENSES	
Advertising & Promotion	8,060
Automobile Expense	566
Bank Service Charges	37
Commission	19,659
Insurance	741
Interest Expense	2,313
License & Permits	5,622
Meals & Entertainment	444
Office Expense	880
Professional Fees	1,594
Rent Expense	599
Subcontractors	11,820
Taxes	565
TOTAL EXPENSES	52,900
NET PROFIT BEFORE DEPRECIATION	(30,266)
DEPRECIATION	0
NET PROFIT	(30,266)

MEDFORD BREWING COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019

	<u>2019</u>
Cash Flows from Operating Activities:	
Net Income (Loss)	(30,266)
Adjustments to reconcile Net Income to net cash provided by operating activities:	
Accounts Receivable	10,854
Credit Cards	<u>(4,697)</u>
 TOTAL ADJUSTMENTS	 6,157
 NET CASH (USED) BY OPERATING ACTIVITIES	 (24,109)
 Cash Flows from Financing Activities:	
Note Payable	280,849
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 280,849
 NET INCREASE (DECREASE) IN CASH	 256,740
 CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	 18,858
 CASH & CASH EQUIVALENTS AT END OF YEAR	 275,598

MEDFORD BREWING COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Operations

The Company was incorporated in August 2015 and is a Massachusetts corporation engaged in the production and sale of premium beverages.

Accrual Basis

The financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes cash and money market accounts and any highly liquid assets purchased with an initial maturity of less than ninety days.

Accounts Receivables

Accounts receivables are customer obligations due under normal trade terms. The Company reviews accounts receivables on an ongoing basis to determine if any receivable will potentially be uncollectible. After all attempts to collect a receivable have failed, the receivable is written off. The Company does not maintain a provision for bad debts. Accounts Receivables for the year ended December 31, 2019 are \$0.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using accelerated methods over the estimated useful lives of the assets.

NOTE B - ADVERTISING

Advertising costs for the year ended December 31, 2019 amounted to \$8,060.

MEDFORD BREWING COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019

NOTE C – NOTES PAYABLE

Detail of Notes Payable is as follows:

WeFunder	<u>\$280,849</u>
Total Notes Payable	<u>\$280,849</u>

Payments on note payable to start July 2020.

NOTE D – SUBSEQUENT EVENTS

Management has reviewed subsequent events through April 7, 2020, the date the financial statements were available to be issued.