

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

**Public Square La Mesa, LLC** (the “Company”) a California Limited Liability Company

Financial Statements (unaudited) and  
Independent Accountant’s Review Report

As of December 31<sup>st</sup>, 2022



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management  
Public Square La Mesa, LLC

We have reviewed the accompanying financial statements as of December 31<sup>st</sup>, 2022 and the related notes. 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 as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

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

### **Emphasis of Matter Going Concern**

As discussed in Note 8, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, EA, CIA, CFE, MACC  
Miami, FL  
July 14, 2023

*Vincenzo Mongio*

**Statement of Financial Position**

	<b>As of December 31, 2022</b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	-
<b>Total Current Assets</b>	-
Non-current Assets	
Other Assets	-
<b>Total Non-Current Assets</b>	-
<b>TOTAL ASSETS</b>	-
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Liabilities	-
<b>Total Current Liabilities</b>	-
Long-term Liabilities	
Other Liabilities	-
<b>Total Long-Term Liabilities</b>	-
<b>TOTAL LIABILITIES</b>	-
EQUITY	
Member Contributions	-
Member Distributions	-
Accumulated Deficit	-
<b>Total Equity</b>	-
<b>TOTAL LIABILITIES AND EQUITY</b>	-

**Statement of Changes in Member Equity**

	<b>Member Capital</b>			
	<b>\$ Amount</b>	<b>Accumulated Adjustments</b>	<b>Accumulated Deficit</b>	<b>Total Member Equity</b>
Beginning Balance at 4/29/2022	-	-	-	-
Capital Contributions	-			-
Capital Distributions	-			-
Net Income (Loss)		-	-	-
Prior Period Adjustment				-
Ending Balance 12/31/2022	-	-	-	-

**Statement of Operations**

	<b>Year Ended December 31, 2022</b>
Revenue	-
Cost of Revenue	-
Gross Profit	-
Operating Expenses	
Advertising and Marketing	-
General and Administrative	-
Research and Development	-
Total Operating Expenses	-
Operating Income (loss)	-
Other Income	
Other	-
Total Other Income	-
Other Expense	
Other	-
Total Other Expense	-
Earnings Before Income Taxes	-
Provision for Income Tax Expense/(Benefit)	-
Net Income (loss)	-

**Statement of Cash Flows**

	<b>Year Ended December 31, 2022</b>
<b>OPERATING ACTIVITIES</b>	
Net Income (Loss)	-
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Other	-
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-
Net Cash provided by (used in) Operating Activities	-
<b>INVESTING ACTIVITIES</b>	
Other	-
Net Cash provided by (used by) Investing Activities	-
<b>FINANCING ACTIVITIES</b>	
Member Contributions	-
Member Distributions	-
Net Cash provided by (used in) Financing Activities	-
Cash at the beginning of period	-
Net Cash increase (decrease) for period	-
Cash at end of period	-
Cash Paid for Interest	-
Cash Paid for Income Taxes	-

**Public Square La Mesa, LLC**  
**Notes to the Unaudited Financial Statements**  
**December 31<sup>st</sup>, 2022 (inception)**  
**\$USD**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

La Mesa Public Square, LLC (“the Company”) was formed in California on April 29th, 2022. The Company plans to earn revenue as a full-service cafe, providing breakfast, lunch, and dinner service. The Company’s headquarters is in La Mesa, California. The Company’s customers will be located in the United States.

The Company will conduct a crowdfunding campaign under regulation CF in 2023 to raise operating and construction capital.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Concentrations of Credit Risks

The Company’s financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company’s management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

### Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

- Step 1: Identify the contract(s) with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to performance obligations
- Step 5: Recognize Revenue When or As Performance Obligations Are Satisfied

The Company will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

### Equity based compensation

The Company does not currently have an equity-based compensation plan.

### Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit is the responsibility of the company's owners.

### Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

### **NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, "Related Party Disclosures," for the identification of related parties and disclosure of related party transactions. The Company was created to pass off ownership and operations, for our La Mesa project only, to our current location manager and future business partner. The holdings company, Public Square Coffee House, Inc., will be the majority shareholder of the entity, and the Operation Manager (OM) / Partner will be a minority shareholder. This agreement will remain until the OM has returned the holdings company's initial capital investment. Upon execution of capital return, we will transfer equity to our operations manager and remain on as a minority shareholder.

### **NOTE 4 – CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

### **NOTE 5 – DEBT**

None.

### **NOTE 6 – EQUITY**

The Company is a member-managed LLC and operates on Membership Interest.

**NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31<sup>st</sup>, 2022 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through July 14, 2023, the date these financial statements were available to be issued. No events require recognition or disclosure.

**NOTE 8 – GOING CONCERN**

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has not commenced principal operations and will likely realize losses prior to generating positive working capital for an unknown period of time. The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time.