

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

# Venue X LLC

Financial Statements and Report

December 31, 2021 and 2020

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# TESSERACT ADVISORY GROUP

## **Independent Accountant's Review Report**

Bryan Wagstaff  
Venue X LLC  
Boulder, CO

We have reviewed the accompanying financial statements of Venue X LLC (the LLC), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the LLC's 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 control 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 engagements 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.

*We are required to be independent of Venue X LLC (the company) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.*

**Accountant's Conclusion**

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

**Substantial Doubt About the Company's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the LLC will continue as a going concern. As discussed in Note 3 to the financial statements, the LLC has been dormant since incorporation and will require significant capital to start operations and has stated that substantial doubt exists about the LLC's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.



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Philip Debaugh, CPA

OWINGS MILLS, MD

February 28, 2022

**Venue X LLC**  
Balance Sheet  
As of December 31, 2021 and 2020

	2021	2020
	\$	\$
Assets	-	-
Current Assets	-	-
Cash and cash equivalents	-	-
Trade receivables	-	-
Allowance for doubtful accounts, trade	-	-
Non-trade receivables	-	-
Allowance for doubtful accounts, non-trade	-	-
Related party receivables	-	-
Allowance for doubtful accounts, related party	-	-
Income taxes receivable	-	-
Investments	-	-
Inventories	-	-
Prepaid expenses	-	-
Derivative and hedging assets, current	-	-
Contract assets	-	-
Net investment in leases	-	-
Other current assets	-	-
Assets related to discontinued operations	-	-
Property, plant, and equipment, net of accumulated depreciation of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Investments	-	-
Loans and notes receivable, net of allowance for credit losses of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Related party loans and notes receivable, net of allowance for credit losses of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Contract retainage receivables, net of allowance for doubtful accounts of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Goodwill, net of accumulated amortization of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Intangible assets, net of accumulated amortization of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Deferred tax assets, net of valuation allowance of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Investment in subsidiaries	-	-
Assets related to noncontrolling interests	-	-
Intercompany receivables	-	-
Right-of-use assets, finance leases, net of accumulated amortization of \$_____ and \$_____ for 2021 and 2020, respectively	-	-
Right-of-use assets, operating leases	-	-

**Venue X LLC**  
Balance Sheet  
As of December 31, 2021 and 2020

Derivative and hedging assets, noncurrent	-	-
Restricted cash and cash equivalents	-	-
Contract assets	-	-
Net investment in leases	-	-
Other assets	-	-
Assets related to discontinued operations	-	-
Liabilities & Members' Equity	-	-
Liabilities	-	-
Current Liabilities	-	-
Accounts payable and accrued liabilities	-	-
Debt, current	-	-
Current portion of finance lease liabilities	-	-
Current portion of operating lease liabilities	-	-
Derivative and hedging liabilities, current	-	-
Contract liabilities	-	-
Current portion of deferred compensation	-	-
Asset retirement obligations	-	-
Other current liabilities	-	-
Liabilities related to discontinued operations	-	-
Income tax liabilities, current	-	-
Long-term debt, net of debt issuance costs of \$ _____ and \$ _____ for 2021 and 2020, respectively	-	-
Related party debt	-	-
Finance lease liabilities	-	-
Operating lease liabilities	-	-
Deferred tax liabilities	-	-
Liabilities related to noncontrolling interests	-	-
Intercompany payables	-	-
Derivative and hedging liabilities, noncurrent	-	-
Contract liabilities	-	-
Deferred compensation	-	-
Asset retirement obligations	-	-
Other liabilities	-	-
Liabilities related to discontinued operations	-	-
Commitments and Contingencies	-	-
Members' Equity	-	-
Total Venue X LLC Members' Equity	-	-
Noncontrolling interests in consolidated subsidiaries	-	-

**Venue X LLC**  
 Balance Sheet  
 As of December 31, 2021 and 2020

	2021	2020
	\$	\$
Assets		
Current Assets		
Current Assets		
Cash and cash equivalents		
Cash		
Cash equivalents		
Restricted cash and cash equivalents, current		
Title		
Receivables		
Trade receivables		
Allowance for doubtful accounts, trade		
Non-trade receivables		
Allowance for doubtful accounts, non-trade		
Related party receivables		
Allowance for doubtful accounts, related party		
Loans and notes receivable, current		
Loans and notes receivable, gross, current		
Allowance for doubtful loans and notes receivable, current		
Related party loans and notes receivable, current		
Allowance for doubtful related party loans and notes receivable, current		
Investments, current		
Debt securities, current		
Equity securities, current		
Other investments, current		
Inventories		
Raw materials inventory		
Work in process inventory		
Finished goods inventory		
Other inventory		
Inventory valuation reserves		
Inventory in transit		
Prepaid expenses		
Prepaid rent		
Prepaid insurance		
Prepaid interest		
Prepaid tax		
Other prepaid expenses		
Derivative and hedging assets, current		

**Venue X LLC**  
Balance Sheet  
As of December 31, 2021 and 2020

Other current assets  
    Contract assets, current  
    Net investment in leases, current (lessor)  
    Miscellaneous other current assets  
    Assets related to discontinued operations, current  
Income taxes receivable

Machinery and equipment  
Buildings and improvements  
Leasehold improvements  
Vehicles  
Furniture and fixtures  
Other depreciable and amortizable assets  
Construction in progress  
Land  
Buildings and improvements - Accumulated Depreciation  
Furniture and fixtures - Accumulated Depreciation  
Land improvements - Accumulated Depreciation  
Leasehold improvements - Accumulated Depreciation  
Machinery and equipment - Accumulated Depreciation  
Other depreciable and amortizable assets - Accumulated Depreciation  
Vehicles - Accumulated Depreciation  
Debt securities, noncurrent  
Equity securities, noncurrent  
Other investments, noncurrent  
Loans and notes receivable, gross, noncurrent  
Allowance for doubtful loans and notes receivable, noncurrent  
Related party loans and notes receivable, noncurrent  
Allowance for doubtful related party loans and notes receivable,  
noncurrent  
Intangible assets (other than goodwill), amortizable  
Intangible assets (other than goodwill), nonamortizable  
Accumulated amortization, intangible assets  
Deferred tax assets, noncurrent  
Valuation allowance on deferred tax assets, noncurrent  
Equity in subsidiaries  
Advances to subsidiaries  
Assets related to noncontrolling interests  
Intercompany receivables  
Right-of-use assets, finance leases, gross  
Accumulated amortization of right-of-use assets, finance leases

**Venue X LLC**  
Balance Sheet  
As of December 31, 2021 and 2020

Right-of-use assets, operating leases  
Derivative and hedging assets, noncurrent  
Restricted cash and cash equivalents, noncurrent  
Contract assets, noncurrent  
Net investment in leases, noncurrent (lessor)  
    Net lease receivable, noncurrent (lessor)  
    Net lease unguaranteed residual asset, noncurrent (lessor)  
Miscellaneous other noncurrent assets  
Assets related to discontinued operations, noncurrent

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**Total Assets**

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Liabilities & Members' Equity

Liabilities

Current Liabilities

Current Liabilities

Income tax liabilities, current

Income taxes payable, current

Uncertain tax positions, current

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**Total Current Liabilities**

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Noncurrent Liabilities

Noncurrent Liabilities

Commitments and Contingencies

Equity

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**Total Liabilities & Members' Equity**

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**Venue X LLC**  
Statement of Income  
For the years ended December 31, 2021 and 2020

	2021	2020
	\$	\$
Gross Profit (Loss)		
Revenues		
Cost of Revenues		
<b>Gross Profit (Loss)</b>		
Operating Expenses		
Other Income		
Intercompany income		
Income tax expense		
<b>Net Income (Loss)</b>		

**Venue X LLC**  
Statement of Members' Equity  
For the years ended December 31, 2021 and 2020

	Accumulated Total Members'
	Deficit      Equity
	\$              \$
Balance at January 1, 2020	-
Cumulative effect adjustment for change in accounting principle	-
Net income (loss)	-
Other comprehensive income, net	-
Cash dividends declared, \$ __ per share	-
Stock-based compensation expense	-
Stock dividends declared	-
Issuance of common stock for exercise of stock options	-
Issuance of treasury stock for exercise of stock options	-
Withholding of common stock for tax and net settlement provision of option exercises	-
Issuance of common stock for vesting of restricted stock	-
Issuance of common stock for employee stock purchase plan	-
Issuance of common stock	-
Issuance of common stock for business acquisition	-
Issuance of common stock to directors	-
Repurchase and retirement of common stock	-
Repurchase of common stock held in treasury	-
Sale of common stock held in treasury	-
<b>Balance at December 31, 2020</b>	<b>-</b>
Cumulative effect adjustment for change in accounting principle	-
Net income (loss)	-
Other comprehensive income, net	-
Cash dividends declared, \$ __ per share	-

**Venue X LLC**  
Statement of Members' Equity  
For the years ended December 31, 2021 and 2020

Stock-based compensation expense	-
Stock dividends declared	-
Issuance of common stock for exercise of stock options	-
Issuance of treasury stock for exercise of stock options	-
Withholding of common stock for tax and net settlement provision of option exercises	-
Issuance of common stock for vesting of restricted stock	-
Issuance of common stock for employee stock purchase plan	-
Issuance of common stock	-
Issuance of common stock for business acquisition	-
Issuance of common stock to directors	-
Repurchase and retirement of common stock	-
Repurchase of common stock held in treasury	-
Sale of common stock held in treasury	-
<b>Total</b>	-

**Venue X LLC**  
Statement of Cash Flows  
For the years ended December 31, 2021 and 2020

	2021	2020
	\$	\$
<b>Cash Flows</b>		
<b>Cash Flows From Operating Activities</b>		
Net income (loss)	-	-
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities	-	-
(Increase) decrease in operating assets, net of effects of businesses acquired	-	-
Increase (decrease) in operating liabilities, net of effects of businesses acquired	-	-
Cash flows from operating activities related to discontinued operations	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	-	-
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	-	-
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	-	-
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	-	-
Cash, cash equivalents, and restricted cash at beginning of year	-	-
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	-	-

## **Notes to the Financial Statements**

**Venue X LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2021 and 2020

**1. Summary of significant accounting policies**

**a. Nature of operations**

Venue X LLC (the Company) incorporated on September 19, 2017 in the State of Colorado. The Company was organized for purposes of operating a mixed use entertainment venue. The Company has been dormant since inception and is currently planning to raise capital via a crowdfunding campaign.

**b. Basis of accounting**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's Accounting Standards Codification. The financial statements have been prepared on the accrual basis of accounting.

**c. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 materially differ from those estimates.

**d. Cash and cash equivalents**

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

**e. Receivables**

**f. Income taxes**

The Company is a limited liability company taxed as a pass through entity. The accompanying financial statements do not include a provision, benefit, liability, or refund receivable for federal and state income taxes because the members are taxed individually on their share of the limited liability company earnings. The Company files tax returns in the U.S. federal jurisdiction and in the state of Colorado.

**Venue X LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2021 and 2020

**g. Comprehensive income**

The company does not have any comprehensive income items other than net income.

**h. Subsequent events**

Management evaluated all activity of the company through February 28, 2022 (the issuance date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.

**2. Commitments and contingencies**

The Company is not currently involved with and does not know of any pending or threatening litigation against the Company.

**3. Going concern**

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As shown in the accompanying financial statements, the Company is not yet operating and will require significant capital for continued software development, advertising and other operational expenses. Those factors and conditions create a substantial doubt about the company's ability to continue as a going concern for the year following the date the financial statements are available to be issued. Management of the company has evaluated these conditions and has proposed a plan to raise capital via a crowdfunding campaign. The financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern.