

# VENGANZA FOODS, INC.

FINANCIAL STATEMENTS FOR THE YEAR ENDING  
DECEMBER 31, 2021

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*WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT  
DATE ISSUED: APRIL 16, 2022*

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**VENGANZA FOODS, INC.**  
**Reviewed Financial Statements**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**  
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**PROCYON FINANCIAL LLC****24A Trolley Square #2289****Wilmington, DE 19806****INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Stockholders of VENGANZA FOODS, INC.,

672 32nd St

Oakland, CA 94609

I have reviewed the accompanying financial statements of VENGANZA FOODS, INC., which comprise the Balance Sheet as of December 31, 2021, and the related Statements of Income, Cash Flows and Changes in Stockholders' Equity for the year then ended, and the notes to the financial statements comprising a summary of significant accounting policies and other explanatory information. 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, I 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 U.S.A; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Accountants' Responsibility**

My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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 U.S.A. I believe that the results of my procedures provide a reasonable basis for my conclusion.

**Accountants' Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the U.S.A.



**VENGANZA FOODS, INC.**

**BALANCE SHEET  
AS OF DECEMBER 31, 2021**

	<u>As of</u> <u>December 31,</u> <u>2021</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 15,560
Total current assets	<u>15,560</u>
Non-current assets:	
Total non-current assets	<u>-</u>
<b><u>Total Assets</u></b>	<b>\$ <u>15,560</u></b>
<b>Liabilities &amp; Stockholders' Equity (deficit)</b>	
Current liabilities:	
Credit Cards	\$ -
Sales tax payable	3,025
Total current liabilities	<u>3,025</u>
Non-current Liabilities:	
Total non-current liabilities	<u>-</u>
<b><u>Total Liabilities</u></b>	<b><u>3,025</u></b>
Stockholders' equity (deficit):	
Common stock, \$0.00001 par value, 10,000,000 shares authorized, 8,000,000 shares issued and outstanding as of December 31, 2021	80
Additional paid-in capital	5,000
Unearned (deferred compensation)	(80)
Accumulated Profits (losses)	-
Net income (loss)	7,535
<b><u>Total stockholders' equity (deficit)</u></b>	<b><u>12,535</u></b>
<b><u>Total Liabilities &amp; Stockholders' Equity (deficit)</u></b>	<b>\$ <u>15,560</u></b>

The accompanying notes are an integral part of these financial statements.

**VENGANZA FOODS, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

	<u>2021</u>
<b>Revenue:</b>	
Restaurant gross sales	\$ 25,970
Tips	3,540
Taxes & fees collected from customers	3,957
Total revenues	<u><b>33,467</b></u>
<b>Expenses:</b>	
General and administrative expenses	7,912
Transportation	890
Kitchen and restaurant supplies	14,210
Taxes	3,025
Total Expenses	<u><b>26,037</b></u>
<b>Income from operations (loss)</b>	<u><b>7,430</b></u>
<b>Other Income (expenses)</b>	
Other income	105
Total other income (expenses)	<u><b>105</b></u>
<b>Net income (loss)</b>	<u><b>7,535</b></u>

The accompanying notes are an integral part of these financial statements.

**VENGANZA FOODS, INC.**

**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEAR ENDING DECEMBER 31, 2021**

	<u>Common Stock (shares)</u>	<u>Common Stock (par)</u>	<u>Retained Earnings (accumulated deficit)</u>	<u>Additional Paid-in Capital</u>	<u>Unearned compensation</u>	<u><b>Total</b></u>
<b>Beginning Balance, December 31, 2020</b>	-	-	-	-	-	-
Issuance of Common Stock	8,000,000	80	-	-	(80)	-
Paid-in capital	-	-	-	5,000	-	<b>5,000</b>
Net income (loss)	-	-	7,535	-	-	<b>7,535</b>
<b>Ending Balance, December 31, 2021</b>	<b>8,000,000</b>	<b>80</b>	<b>7,535</b>	<b>5,000</b>	<b>(80)</b>	<b>12,535</b>

The accompanying notes are an integral part of these financial statements.

**VENGANZA FOODS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

	<u>As of</u> <u>December</u> <u>31, 2021</u>
Cash flow From Operating Activities:	
Net Income (loss)	\$ 7,535
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Changes in:	
Sales tax payable	3,025
Net cash provided (used) by operating activities	<u>10,560</u>
Cash flow From Investing Activities:	
Net cash provided (used) by investing activities	<u>-</u>
Cash flow from Financing Activities	
Stockholders' contributions (paid-in capital)	5,000
Net cash provided (used) by financing activities	<u>5,000</u>
Increase (decrease) in Cash	15,560
Cash, beginning of year	<u>-</u>
<b>Cash, end of year</b>	<b>\$ <u>15,560</u></b>

The accompanying notes are an integral part of these financial statements.

**VENGANZA FOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**About the Company & its Nature of operations**

VENGANZA FOODS, INC. ('the Company'), is a corporation formed pursuant to the provisions of the Delaware General Corporation law on July 13, 2021. The Company operates in the food and beverages industry and produces plant-based authentic Mexican food. The Company currently operates a brick-and-mortar restaurant in California and Management intends to build a distribution channel to sell the plant-based meat to grocery stores and other Mexican restaurants.

**Fiscal year**

The Company operates on a December 31st year-end.

**Summary of significant accounting policies:**

**Basis of accounting**

The Company's financial statements are presented in accordance with accounting principles generally accepted in the U.S.

**Risks and Uncertainties**

The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include, recession, downturn or otherwise, local competition or changes in consumer taste.

These adverse conditions could affect the Company's financial condition and the results of its operations.

**VENGANZA FOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

**Cash and cash equivalents**

The Company considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents. The Company had no cash equivalents as of December 31, 2021.

**VENGANZA FOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**Revenue Recognition**

The Company recognizes revenue in accordance with ASC 606 when it has satisfied the performance obligations under an arrangement with the customer reflecting the terms and conditions under which products or services will be provided, the fee is fixed or determinable, and collection of any related receivable is probable. ASC Topic 606, “Revenue from Contracts with Customers” establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers. Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied.

**Income and sales taxes**

The Company is subject to tax filing requirements as a corporation in the federal jurisdiction of the United States.

The Company is subject to franchise tax filing requirements in the State of Delaware.

The Company currently operates a restaurant in the State of California and specifically Oakland County and as such, the company is required to collect 10.250% in sales tax on gross receipts and regularly remit sales tax receipts to the authorities.

**VENGANZA FOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**Equity**

Under the articles of incorporation, the Company is authorized to issue Common Stock. The total number of shares of Common Stock authorized to be issued is ten million (10,000,000) shares at a par value of \$0.00001 per share.

On July 30, 2021, the Company's board of directors (Mr. Raul Medina and Mr. Ravi Kurani) consented to issue founder's stock subject to the following provisions:

- Mr. Medina was issued 7,520,000 shares of common stock at a fair value of \$0.00001 per share. Twenty-five percent (25%) of the shares will vest on July 13, 2022, and 1/48<sup>th</sup> of the shares will vest monthly thereafter. In the event of a change of control, 100% of the shares will vest on a double trigger basis.
- Mr. Kurani was issued 480,000 shares of common stock at a fair value of \$0.00001 per share. Twenty-five percent (25%) of the shares will vest on July 13, 2022, and 1/48<sup>th</sup> of the shares will vest monthly thereafter. In the event of a change of control, 100% of the shares will vest on a double trigger basis.

The Company accounts for restricted stock at the grant date, recognizing unearned compensation for the fair value of the shares granted and subsequently recognizing stock-based compensation expense ratably over the vesting period of the shares.

**Contingencies**

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

**VENGANZA FOODS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2021**

**Subsequent events**

The Company evaluated subsequent events through March 15, 2022, the date on which the financial statements were available to be issued. There are no additional events that have occurred such that adjustments to the amounts or disclosures presented in the notes to the financial statements are warranted.