

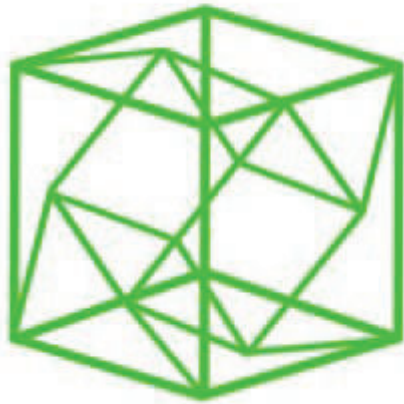
# Over the Top Ladder, LLC

Financial Statements and Report

December 31, 2023 and 2022

## Table of Contents

Independent Accountant's Review Report .....	2
Balance Sheet .....	4
Statement of Income .....	5
Statement of Changes in Members' Equity .....	6
Cash Flow Statement .....	7
Notes to the Financial Statements .....	8



**TESSERACT  
ADVISORY  
GROUP**

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

To Management of:  
Over the Top Ladder, LLC

We have reviewed the accompanying financial statements of Over the Top Ladder, LLC (the Company), which comprise the statements of balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in 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 Company'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 Over the Top Ladder, 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 Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company is pre-revenue, has incurred losses and has relied on owner contributions to fund operations and has stated that substantial doubt exists about the Company'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 4. 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.

*Tesseract Advisory Group LLC*

---

Tesseract Advisory Group, LLC  
OWINGS MILLS, MD  
January 26, 2024

**Over the Top Ladder, LLC**  
Balance Sheet (Unaudited)  
As of December 31, 2023 and 2022

	Note	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1.f	\$ 174	\$ 485
<b>Total Current Assets</b>		174	485
<b>Noncurrent Assets</b>			
Patent, net of accumulated amortization	2	15,585	18,036
<b>Total Noncurrent Assets</b>		15,585	18,036
<b>Total Assets</b>		15,759	18,521
<b>Liabilities &amp; Members' Equity</b>			
Liabilities		-	-
Current Liabilities		-	-
Accounts payable and accrued expenses		-	-
<b>Total Current Liabilities</b>		-	-
<b>Total Liabilities</b>		-	-
Members' Equity		15,759	18,521
<b>Total Liabilities &amp; Members' Equity</b>		\$ 15,759	\$ 18,521

**Over the Top Ladder, LLC**  
Statement of Income (Unaudited)  
For the years ended December 31, 2023 and 2022

	Note	2023	2022
<b>Operating Expenses</b>			
Advertising and promotion	1.h	\$ -	\$ 2,300
Travel		-	1,888
Other operating expense		4,981	1,040
Legal and other professional fees and services		-	1,000
Memberships and licenses		900	300
Meals and entertainment		-	159
Office supplies		-	116
Research and development		2,100	21
Intangible asset amortization	2	2,451	2,451
<b>Total Operating Expenses</b>		<b>10,432</b>	<b>9,275</b>
<b>Net Income (Loss)</b>		<b>\$ (10,432)</b>	<b>\$ (9,275)</b>

**Over the Top Ladder, LLC**  
Statement of Changes in Members' Equity (Unaudited)  
For the years ended December 31, 2023 and 2022

	<b>Total Members'</b>
	<b>Equity</b>
Balance at January 1, 2022	\$ 20,573
Net income (loss)	(9,275)
Owner contributions	7,223
<b>Balance at December 31, 2022</b>	<b>18,521</b>
Net income (loss)	(10,432)
Owner contributions	7,670
<b>Balance at December 31, 2023</b>	<b>\$ 15,759</b>

**Over the Top Ladder, LLC**  
Cash Flow Statement (Unaudited)  
For the years ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows</b>		
<b>Cash Flows From Operating Activities</b>		
Net income (loss)	\$ (10,432)	\$ (9,275)
<b>Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
Depreciation and amortization	2,451	2,451
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(7,981)</b>	<b>(6,824)</b>
<b>Cash Flows from Financing Activities</b>		
Owner contributions	7,670	7,223
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(311)</b>	<b>399</b>
Cash, cash equivalents, and restricted cash at beginning of year	485	86
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<b>\$ 174</b>	<b>\$ 485</b>



## **Notes to the Financial Statements**

**Over the Top Ladder, LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2023 and 2022

**1. Summary of significant accounting policies**

**a. Nature of operations**

Over the Top Ladder, LLC (the Company) is a start-up company that developed and patented a revolutionary curved specialty ladder called "Over The Top Ladder". In addition to the original aluminum design, the Company plans product offerings to include other specialty ladders. These include manufacturing ladders made of materials such as fiberglass and other new technologically advanced materials. The Company has the capacity to tailor our ladders to better serve specific markets such as the military and first responder communities as well as designs for ladder automation. Since ladder use is universal, the market is global.

**b. 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.

**c. 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.

**d. Fair value measurements**

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and such principles also establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities

**Over the Top Ladder, LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2023 and 2022

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 by correlation or other means.

- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

**e. 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.

**f. 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. As of December 31, 2023 and 2022 cash consisted of deposits held in a business checking account.

**g. Intangible assets**

Intangibles with determinable lives are amortized using the straight-line method based on the estimated useful lives of the intangible assets. When there is a change in the estimated useful life of a finite-lived intangible asset, amortization is adjusted prospectively. Intangibles assets that have an indefinite live are not amortized, but rather are tested for impairment annually or if events or a change in circumstance have occurred that indicate possible impairment. Should the carrying amount of the intangible asset exceed its fair value, an impairment loss would be recognized.

Intangible assets assessed by the company with indefinite useful lives are not amortized, but are reviewed each period to determine whether the assessment of indefinite life continues to be supportable. If not, the intangible assets are prospectively accounted for with a finite useful life. As of December 31, 2023 and 2022 the Company's only intangible assets were patents.

**h. Advertising expense**

Advertising and promotional costs are expensed as incurred.

**Over the Top Ladder, LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2023 and 2022

**i. Comprehensive income**

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

**2. Patent**

The Company has two utility patents and one designer patent. A summary of the Company's patents is provided below.

		<b>Cost</b>	<b>Granted</b>	<b>Useful Life</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Value</b>
Patent US8708102B2	\$	19,756	April 2014	15 years	\$ 12,732	\$ 7,024
Patent US8215453		6,689	July 2012	15 years	5,128	1,561
Patent US841190S1		10,327	February 2019	15 years	3,327	7,000
<b>Total</b>	<b>\$</b>	<b>36,772</b>			<b>\$ 21,187</b>	<b>\$ 15,585</b>

Amortization expense was \$2,451 and \$2,451 for the years ended December 31, 2023 and 2022, respectively.

Estimated amortization over the next five years is as follows:

2024	\$	2,451
2025		2,451
2026		2,451
2027		2,451
2028		2,229
Subsequent		3,552
<b>Total</b>	<b>\$</b>	<b>15,585</b>

**3. Commitments and contingencies**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2023, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

**4. Going concern**

**Over the Top Ladder, LLC**  
Notes to the Financial Statements  
For the years ended December 31, 2023 and 2022

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, during the years ended December 31, 2023 and 2022 the Company incurred losses from operations and the Company has relied on owner financing to fund operations. 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 ability of the Company to continue as a going concern and meet its obligations as they become due is dependent on management's ability to successfully implement the plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**5. Subsequent events**

Management evaluated all activity of the Company through January 26, 2024 (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.