

CALIFORNIA 88, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2018
WITH INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

CALIFORNIA 88, LLC

TABLE OF CONTENTS

OCTOBER 31, 2017

FINANCIAL STATEMENTS:

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT.....	1
BALANCE SHEET.....	2
STATEMENT OF OPERATIONS.....	3
STATEMENT OF CASH FLOWS.....	4
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES.....	5

Independent Accountant's Compilation Report

To the Members
California 88, LLC
Brooklyn, New York

We have reviewed the accompanying balance sheet of California 88, LLC (the "Company") as of December 31, 2018, and the related statements of operations, members' equity, cash flows, and supplementary information for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of this balance sheet 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 the balance sheet is free from material misstatement whether due to fraud or error.

ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Curran Unger LLP

CURRAN UNGER LLP
April 25, 2019

CALIFORNIA 88, LLC
BALANCE SHEET
DECEMBER 31, 2018
(unaudited)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 158,641
Total current assets	<u>158,641</u>

OTHER ASSETS

Security deposit	51,000
Capitalized build-out costs	150,609
Capitalized startup costs, net of accumulated amortization	<u>19,741</u>
Total other assets	<u>221,350</u>

Total assets	<u><u>\$ 379,991</u></u>
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LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Credit cards payable	\$ 1,068
Total current liabilities	<u>1,068</u>

LONG-TERM LIABILITIES

Notes payable	<u>113,400</u>
Total long-term liabilities	<u>113,400</u>
Total liabilities	<u>114,468</u>

MEMBERS' EQUITY

Partners' capital	<u>265,523</u>
	265,523

Total liabilities & members' equity	<u><u>\$ 379,991</u></u>
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See independent accountants' compilation report.

CALIFORNIA 88, LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2018
(unaudited)

SALES	\$ -
COST OF SALES	<u>-</u>
GROSS PROFIT	<u>-</u>
GENERAL AND ADMINISTRATIVE EXPENSES	24,365
LOSS FROM OPERATIONS	<u>(24,365)</u>
OTHER EXPENSES	
Total Other Expenses	<u>-</u>
LOSS BEFORE INCOME TAXES	(24,365)
INCOME TAX BENEFIT (EXPENSE)	<u>(25)</u>
NET LOSS	<u><u>\$ (24,390)</u></u>
MEMBERS' EQUITY, BEGINNING OF PERIOD	\$ 175,387
NET LOSS	(24,390)
CAPITAL CONTRIBUTIONS	120,000
PARTNER DISTRIBUTIONS	<u>(5,474)</u>
MEMBERS' EQUITY, END OF PERIOD	<u><u>\$ 265,523</u></u>

See independent accountants' compilation report.

CALIFORNIA 88, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018
(unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (24,390)
Adjustments to reconcile net income to net cash used in operating activities	
Depreciation and amortization	1,481
Change in:	
Deferred tax asset	-
Credit cards payable	<u>(6,081)</u>
Net Cash Used in Operating Activities	<u>(28,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in capitalized build-out costs	<u>(150,609)</u>
Net Cash Used in Investing Activities	<u>(150,609)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Partner distributions	(5,474)
Capital contributions	120,000
Financing from notes payable	<u>113,400</u>
Net Cash Provided By Financing Activities	<u>227,926</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,327
CASH AND CASH EQUIVALENTS	
Beginning of the period	<u>\$ 110,314</u>
End of the period	<u><u>\$ 158,641</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the period for:	
Interest	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ 25</u></u>

See independent accountants' compilation report.

CALIFORNIA 88, LLC
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES (SUPPLEMENTARY)
YEAR ENDED DECEMBER 31, 2018
(unaudited)

GENERAL AND ADMINISTRATIVE EXPENSES

Bank charges	\$ 180
Computer & internet expense	456
Dues and subscriptions	187
Depreciation & amortization	1,481
Insurance	2,257
Licenses and permits	2,830
Marketing	506
Office expenses	3,685
Professional fees	10,072
Travel	2,711
	<u>\$ 24,365</u>

See independent accountants' compilation report.