

**Vernafund CF, LLC.** (the “Company”) a Delaware Limited Liability Company

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

Short Year ended December 31, 2021



## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To Management  
Vernafund CF, LLC.

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2021 and the related statements of operations, statement of changes in member equity, and statement of cash flows for the year 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 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 them to be in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

The Company was organized to facilitate the investment into an affiliate entity, Vernafund 20, LLC (see Note 1). The financial statements of that entity are integral to the understanding of these financial statements.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
September 27, 2022

*Vincenzo Mongio*

### Statement of Financial Position

	As of December 31, 2021
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	-
<b>TOTAL ASSETS</b>	<b>-</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable - Related Party	17,144
<b>Total Current Liabilities</b>	<b>17,144</b>
<b>TOTAL LIABILITIES</b>	<b>17,144</b>
<b>EQUITY</b>	
Member Capital	-
Accumulated Deficit	(17,144)
<b>Total Equity</b>	<b>(17,144)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>-</b>

### Statement of Operations

	Short Year Ended December 31, 2021
Revenue	-
Cost of Revenue	-
<b>Gross Profit</b>	<b>-</b>
Operating Expenses	
Advertising and Marketing	-
General and Administrative	17,144
Research and Development	-
Rent and Lease	-
Depreciation	-
Amortization	-
<b>Net Income (loss)</b>	<b>17,144</b>

### Statement of Cash Flows

	Short Year Ended December 31, 2021
<b>OPERATING ACTIVITIES</b>	
Net Income (Loss)	(17,144)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Depreciation	-
Amortization	-
Accounts Payable - Related Party	17,144
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	17,144
Net Cash provided by (used in) Operating Activities	-
Cash at the beginning of period	-
Net Cash increase (decrease) for period	-
Cash at end of period	-

### Statement of Changes in Member Equity

	Member Capital		
	\$ Amount	Accumulated Deficit	Total Member Equity
Beginning Balance at 6/14/2021	-	-	-
Capital Contributions	-	-	-
Capital Distributions	-	-	-
Net Income (Loss)	-	(17,144)	(17,144)
Other	-	-	-
Ending Balance 12/31/2021	-	(17,144)	(17,144)

**Vernafund CF, LLC**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2021**  
**\$USD**

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

Vernafund CF, LLC (“the Company”) was formed in Delaware on June 14<sup>th</sup>, 202021. The Company was formed as an investment vehicle to receive funds from investors via regulation crowdfunding. The Company will use the funds to acquire and become the holder of record for certain interests in the issuing entity.

**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.

### Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

### General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

### Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit is the responsibility of the company's owners. As such, no provision for income tax is recognized on the Statement of Operations.

### 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.

During the year ended December 31st, 2021, the Company had outstanding accounts payable in the amount of \$17,144 for startup expenses incurred on behalf of the company by an affiliate entity. The balance is non-interest bearing and due on demand.

## **NOTE 4 – COMMITMENTS, 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. The Company does not have any long-term commitments or guarantees.

## **NOTE 5 – DEBT**

None.

## **NOTE 6 – EQUITY**

The Company is an LLC with a single Class of A-1 Preferred membership shares that have no voting rights.

## **NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2021 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through September 27, 2022, the date these financial statements were available to be issued. No events require recognition or disclosure.

## **NOTE 8 – RISKS AND UNCERTAINTIES**

### ***COVID-19***

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.