

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

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03/04/21

Cash Basis

**Rancho Relaxo**  
**Balance Sheet Prev Year Comparison**  
**As of December 31, 2020**

	Dec 31, 20	Dec 31, 19	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
Checking/Savings				
US Bank	28,034.54	76,659.00	-48,624.46	-63.4%
<b>Total Checking/Savings</b>	28,034.54	76,659.00	-48,624.46	-63.4%
<b>Other Current Assets</b>				
Inventory Asset	77,988.00	77,988.00	0.00	0.0%
Undeposited Funds	8,464.40	8,464.40	0.00	0.0%
<b>Total Other Current Assets</b>	86,452.40	86,452.40	0.00	0.0%
<b>Total Current Assets</b>	114,486.94	163,111.40	-48,624.46	-29.8%
<b>Fixed Assets</b>				
Accumulated Depreciation	-17,557.00	-8,035.00	-9,522.00	-118.5%
Furniture and Equipment	15,453.09	6,440.00	9,013.09	140.0%
Leaseholder Improvements	19,834.00	19,834.00	0.00	0.0%
Security System Asset	1,404.00	1,404.00	0.00	0.0%
<b>Total Fixed Assets</b>	19,134.09	19,643.00	-508.91	-2.6%
<b>Other Assets</b>				
TJH Loan	6,000.00	0.00	6,000.00	100.0%
<b>Total Other Assets</b>	6,000.00	0.00	6,000.00	100.0%
<b>TOTAL ASSETS</b>	<b>139,621.03</b>	<b>182,754.40</b>	<b>-43,133.37</b>	<b>-23.6%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable				
Accounts Payable	34,978.00	34,978.00	0.00	0.0%
<b>Total Accounts Payable</b>	34,978.00	34,978.00	0.00	0.0%
<b>Credit Cards</b>				
Chase Card Services	6,313.20	8,807.72	-2,494.52	-28.3%
Lowes Amex	8,144.30	13,083.28	-4,938.98	-37.8%
<b>Total Credit Cards</b>	14,457.50	21,891.00	-7,433.50	-34.0%
<b>Other Current Liabilities</b>				
Accion Loan	61,238.21	67,334.00	-6,095.79	-9.1%
Geneva Capital	2,060.07	0.00	2,060.07	100.0%
Hardman Adena Loan	2,578.22	0.00	2,578.22	100.0%
Stella Adena Loan	94,656.73	0.00	94,656.73	100.0%
<b>Total Other Current Liabilities</b>	160,533.23	67,334.00	93,199.23	138.4%
<b>Total Current Liabilities</b>	209,968.73	124,203.00	85,765.73	69.1%
<b>Total Liabilities</b>	209,968.73	124,203.00	85,765.73	69.1%
<b>Equity</b>				
Paid in Capital	97,924.00	97,924.00	0.00	0.0%
Retained Earnings	-39,372.60	0.00	-39,372.60	-100.0%
Net Income	-128,899.10	-39,372.60	-89,526.50	-227.4%
<b>Total Equity</b>	-70,347.70	58,551.40	-128,899.10	-220.2%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>139,621.03</b>	<b>182,754.40</b>	<b>-43,133.37</b>	<b>-23.6%</b>

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Accrual Basis

# Rancho Relaxo Profit & Loss

January through December 2020

	Jan - Dec 20
Ordinary Income/Expense	
Income	
Carlsbad Treasury	22,000.00
Merchandise Sales	
Cash Sales	10,450.00
Lightspeed	242,827.21
Pay Pal	1,406.83
Total Merchandise Sales	254,684.04
Riverside County	10,000.00
Total Income	286,684.04
Cost of Goods Sold	
Cost of Goods Sold	170,896.83
Total COGS	170,896.83
Gross Profit	115,787.21
Expense	
Advertising and Promotion	36,137.56
Automobile Expense	2,442.94
Bank Service Charges	203.00
Computer and Internet Expenses	2,531.70
Insurance Expense	1,871.86
Interest Expense	8,723.98
Inventory	0.00
Marketing	35,666.42
Meals and Entertainment	8,837.65
Music	197.45
Office Expense	236.02
Payroll Expense	
Payroll Expenses Venmo	25,944.05
Stella Adena	19,067.15
Total Payroll Expense	45,011.20
Permits	0.00
POS System	3,059.86
Professional Fees	2,813.38
Rent Expense	53,002.14
Repairs and Maintenance	3,050.90
Security System	1,583.27
Shipping	9,415.90
Shop Furnishings	5,165.19
Shop Supplies	2,689.06

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Accrual Basis

**Rancho Relaxo**  
**Profit & Loss**  
January through December 2020

	Jan - Dec 20
Tax	
CA Tax Fee	16,566.78
Total Tax	16,566.78
Telephone Expense	4,688.96
Travel	4,724.98
Utilities	
Electric	4,791.32
Gas	0.00
Internet	2,173.71
Water	0.00
Total Utilities	6,965.03
Total Expense	255,585.23
Net Ordinary Income	-139,798.02
Net Income	-139,798.02

# Balance Sheet

Rancho Relaxo CA  
As of December 31, 2021  
Cash Basis

DEC 31, 2021

## Assets

### Current Assets

#### Cash and Cash Equivalents

Lowe's American Express	1,699.85
US Bank Checking	47,151.86
<b>Total Cash and Cash Equivalents</b>	<b>48,851.71</b>

Inventory	187,043.65
TJH Loan	6,000.00
Undeposited Funds	8,464.40
<b>Total Current Assets</b>	<b>250,359.76</b>

### Fixed Assets

Accumulated Depreciation	(17,557.00)
Furniture and Equipment	20,368.09
Leaseholder Improvements	19,834.00
Security System Asset	1,404.00
<b>Total Fixed Assets</b>	<b>24,049.09</b>

<b>Total Assets</b>	<b>274,408.85</b>
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## Liabilities and Equity

### Liabilities

#### Current Liabilities

Accion Loan	45,253.41
Business Credit Card	17,063.97
Chase Card Services	42,631.12
Geneva Capital	(6,013.93)
Hardman Adena Loan	83,952.22
IKEA Project Credit Card	1,391.18
Sales Tax	9,581.91
Stella Adena Loan	94,656.73
<b>Total Current Liabilities</b>	<b>288,516.61</b>

<b>Total Liabilities</b>	<b>288,516.61</b>
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### Equity

Current Year Earnings	69,007.23
Owner Contribution	55,500.00
Owner Draw	(68,267.29)

	DEC 31, 2021
Paid in Capital	97,924.00
Retained Earnings	(168,271.70)
<b>Total Equity</b>	<b>(14,107.76)</b>
<b>Total Liabilities and Equity</b>	<b>274,408.85</b>

# Income Statement (Profit and Loss)

Rancho Relaxo CA

For the year ended December 31, 2021

Cash Basis

2021

## Income

Less: Sales Discounts	(89,094.83)
Other Revenue	58,236.47
Sales	653,532.72
<b>Total Income</b>	<b>622,674.36</b>

## Cost of Goods Sold

Cost of Goods Sold	178,231.74
<b>Total Cost of Goods Sold</b>	<b>178,231.74</b>

## Gross Profit

**444,442.62**

## Operating Expenses

Auto Expenses	6,040.33
Bank Service Charges	376.17
Computer Software	1,235.02
Consulting & Accounting	3,655.40
Donations	3,621.00
Dues & Subscriptions	490.21
Employee Benefits	3,046.12
Insurance	1,987.78
Interest Expense	3,323.88
Late Fees	40.00
Legal Expenses	1,772.50
Licenses & Fees	243.00
Marketing	89,671.82
Meals and Entertainment	5,556.74
Merchant Services	2,916.80
Office Expenses	5,258.26
Payroll Services	11,694.76
Payroll Taxes	23,649.43
Professional Services	28,361.42
Rent	53,407.20
Repairs and Maintenance	19,865.23
Security	1,349.21
Shipping	6,601.10
Shop Furnishings	2,549.45
Shop Supplies	12,173.91

Income Statement (Profit and Loss)

	2021
Telephone & Internet	4,918.05
Travel	5,650.08
Utilities	5,614.17
Wages and Salaries	68,280.27
Website & Hosting	54.00
Worker's Compensation	2,032.08
<b>Total Operating Expenses</b>	<b>375,435.39</b>
<b>Operating Income</b>	<b>69,007.23</b>
<b>Net Income</b>	<b>69,007.23</b>



I, Stella Adena, certify that:

1. The financial statements of Rancho Relaxo included in this Form are true and complete in all material respects; and
2. The tax return information of Rancho Relaxo included in this Form reflects accurately the information reported on the tax return for Rancho Relaxo for the fiscal years ended 2020 and 2021 (most recently available as of the Date of this Form C).

Signature      Stella Adena

Name:          Stella Adena

Title:          founder