

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

# Ostara Center LLC

Financial Statements and Report

August 31, 2022

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**TESSERACT  
ADVISORY  
GROUP**

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

Paul Calnan  
Ostara Center LLC  
Aston, MA

We have reviewed the accompanying financial statements of Ostara Center LLC (the LLC), which comprise the statements of balance sheet as of August 31, 2022, and the related statements of income, changes in members' equity, and cash flows for the period then ended (since formation on August 19, 2022), 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 LLC'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 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.

*We are required to be independent of Ostara Center 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 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.

### **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 3 to the financial statements, the company has recently been formed and has yet to begin 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 3. 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.

A handwritten signature in black ink, appearing to read "Philip Debaugh". The signature is fluid and cursive, with the first name "Philip" and last name "Debaugh" clearly distinguishable.

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Philip Debaugh, CPA

OWINGS MILLS, MD  
September 6, 2022

**Ostara Center LLC**  
Balance Sheet (Unaudited)  
As of August 31, 2022

	<b>2022</b>
Assets	-
Cash and cash equivalents	\$ -
<b>Total Current Assets</b>	-
<b>Total Assets</b>	-
Liabilities & Members' Equity	-
Liabilities	-
Current Liabilities	-
Accounts payable and accrued expenses	-
<b>Total Current Liabilities</b>	-
<b>Total Liabilities</b>	-
Equity	-
Retained Earnings	-
<b>Total Members' Equity</b>	-
<b>Total Liabilities &amp; Members' Equity</b>	\$ -

**Ostara Center LLC**  
Statement of Income (Unaudited)  
For the period ended August 31, 2022

	<b>2022</b>
Revenues	\$ -
Cost of Revenues	-
<b>Gross Profit (Loss)</b>	-
Operating Expenses	-
Salaries and wages	-
<b>Total Operating Expenses</b>	-
<b>Net Income (Loss)</b>	\$ -

**Ostara Center LLC**  
Statement of Changes in Members' Equity (Unaudited)  
For the period ended August 31, 2022

	<b>Total Members' Equity</b>
<b>Balance at August 19, 2022</b>	\$ -
Net income (loss)	-
<b>Balance at August 31, 2022</b>	\$ -



**Ostara Center LLC**  
Statement of Cash Flows (Unaudited)  
For the period ended August 31, 2022

	<b>2022</b>
Net income (loss)	-
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>\$ -</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<b>\$ -</b>

## **Notes to the Financial Statements**

**Ostara Center LLC**  
Notes to the Financial Statements  
For the period ended August 31, 2022

**1. Summary of significant accounting policies**

**a. Nature of operations**

Ostara Center LLC (the Company) was founded to create a multi-use facility for both ticketed music events along with a high-end function room suitable for any type of private event. The Company's goal is to become the premier music and entertainment venue on the North Shore of Massachusetts. The Company is currently working towards finalizing the lease agreements for the physical location in Salem, Massachusetts.

The Company was formed as a limited liability company on August 19, 2022 in the Commonwealth of Massachusetts.

**b. 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.

**c. 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.

**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.

**Ostara Center LLC**  
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- 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 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.

The carrying amounts of financial instruments in the accompanying balance sheets approximate their fair values due to their relatively short-term nature.

**e. Income taxes**

The Company is a limited liability company taxed as a pass through entity. The accompanying financials 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. Comprehensive income**

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

**2. Commitments and contingencies**

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

**3. Going concern**

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, the Company was recently formed, has yet to begin operations and will require investment 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

**Ostara Center LLC**  
Notes to the Financial Statements  
For the period ended August 31, 2022

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.

**4. Subsequent events**

Management evaluated all activity of the Company through September 6, 2022 (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.