FINANCIAL POSITION, CAPITALIZATION, AND ROUND PLAN

As of August 31, 2026 | Alpha-stage estimates and validation targets, not forecasts.

VeriStrata built the product on founder capital and has closed $20,000 of its $160,000 current round. Through 2025 the founder contributed $150,005 to the predecessor entity and drew approximately $148,600 of it for living costs while building full time, with no outside investment and no salary from any other source. The first outside capital arrived in July 2026 and funded continued full-time founder work through the raise, leaving $60.94 of cash at period end. There is no revenue and no paid pilot yet; this review sets out the numbers without blending predecessor history into the current issuer.

EXECUTIVE FINANCIAL SNAPSHOT

Measure	As of Aug. 31, 2026	What it means
Current-round SAFEs closed	$20,000	Two direct VeriStrata SAFEs; same $6M cap-only terms as the proposed Wefunder round.
Total SAFE principal	$22,000	Includes two novated $1,000 predecessor instruments retaining a 20% discount.
Cash	$60.94	Brex ledger ending balance; August statement confirmation remains required.
Revenue	$0	No paid pilot or customer revenue through the reporting date.
Founder compensation expense	$20,004.50	Full-time founder services from June 22 through August 31, about $8,570 per month. The funded plan sets $6,000 per month. Payroll reconciliation remains open.
Net loss	$20,004.06	Management-prepared draft before payroll-tax and CPA adjustments.

Bottom line: the first $20,000 funded continued full-time founder work through the raise. The proposed round is not financing scale; it is financing the fifteen-month test of whether repeat institutional use becomes paid demand.

WHAT THE GAAP DRAFT DOES — AND DOES NOT — ESTABLISH

VeriStrata was incorporated on June 22, 2026. It therefore has no two completed prior fiscal years. Its issuer-level statements cover the shorter period permitted for a newly formed issuer: inception through August 31, 2026.

Statement	Draft result	Open CPA work
Balance Sheet	$60.94 assets; $20,000 provisional SAFE obligation; $19,939.06 stockholders' deficit	SAFE classification, novations, stock ledger and payroll liabilities.
Statement of Operations	$0 revenue; $20,004.50 founder compensation; $20,004.06 net loss	Payroll tax and withholding treatment.
Statement of Cash Flows	$20,004.06 operating outflow; $20,065 financing inflow; $60.94 ending cash	Tie to August bank statement.
Stockholders' Equity	$65 contributed capital; $20,004.06 accumulated deficit	Founder share/par-value entries from Atlas records.

REG CF / WEFUNDER BOUNDARY

The Wefunder filing should use VeriStrata, Inc. financial statements, not TruthTrollers, LLC financial statements, because VeriStrata is the current issuer and a separate Delaware corporation. TruthTrollers records remain available as predecessor-development diligence, but they should not be presented as the issuer's GAAP history.

At the planned $160,000 maximum, management expects an independent CPA review rather than CEO certification alone. The management-prepared statements are the starting workpapers for that engagement; they are not the accountant's review report.

USE OF FUNDS AND RUNWAY

The $160,000 target funds fifteen months of founder-led validation — twelve to a first paid pilot and three beyond it to raise on the result: product hardening, three to five institutional pilots, and the first paid pilot. It does not assume a scaled sales organization.

Category	$160K target	Purpose
Founder runway	$90,000	Full-time product, pilot, support, and founder-led selling.
Infrastructure & hosting	$10,000	Hosting, database, monitoring, backups, and security.
AI / API costs	$10,000	Inference, search, extraction, and evidence retrieval.
Product & UX	$18,000	Targeted contractor support, onboarding, classroom workflow, and polish.
Legal & IP	$8,000	SAFE, privacy, terms, trademark, and IP cleanup.
Academic partnerships	$9,000	Pilot development, demos, conversion travel, and partner materials.
Marketing & community	$7,000	Campaign assets, case studies, and community updates.
Investor preparation	$3,000	Data room, campaign materials, and demo assets.
Reserve	$5,000	Compliance, infrastructure, and operating contingency.
TOTAL	$160,000	Fifteen-month base validation plan.

MINIMUM VERSUS TARGET

At a minimum close, VeriStrata would remain founder-only, restrict contractor work, prioritize the core classroom workflow, and run fewer tightly scoped pilots. At the $160,000 target, it can fund the full twelve-month base plan, pursue three to five institutional pilots, and target the first paid pilot. Any amount raised below target shortens runway or narrows the validation program; it does not change the product’s long-term mission.

CAPITALIZATION

Holder / group	Principal	Terms	Current treatment
Kelley Price	$10,000	$6M post-money cap; no discount	Direct VeriStrata SAFE; counts toward current-round progress.
Richard Meadows	$10,000	$6M post-money cap; no discount	Direct VeriStrata SAFE; counts toward current-round progress.
Kimberly Mitchell	$1,000	$6M cap; 20% discount	Novated obligation; separate terms; excluded from progress.
Heather Reedy	$1,000	$6M cap; 20% discount	Novated obligation; separate terms; excluded from progress.
TOTAL	$22,000		Outstanding SAFE principal.

Wefunder progress bar: $20,000, not $22,000. Only the two direct VeriStrata SAFEs share the same monetary terms as the proposed cap-only round.

No Eric Forst equity has been issued, and no employee or advisor option pool has been reserved. Those items should not appear as existing dilution. The founder owns 100% of issued common stock before SAFE conversion, but the exact issued share count and date must be copied from the Atlas stock purchase agreement and stock ledger.

PREDECESSOR CONTEXT

TruthTrollers, LLC financed the founder's earlier development period entirely from personal capital. Its 2025 records show $150,005 of member contributions, $148,611.89 of owner distributions taken as living costs during full-time development, $1,284.81 of recorded business expense, and $108.30 of ending cash. A year of full-time work produced the working alpha, browser extension, evidence pipeline, and governance layer before any institutional capital. Those cash-basis records are not VeriStrata GAAP statements and are not part of the issuer-level Reg CF package; they remain relevant for tax, chain-of-title, and diligence review.

REQUIRED BEFORE EXTERNAL FINANCIAL RELIANCE

- CPA classification of all SAFE instruments.
- Payroll and withholding reconciliation for $20,004.50 of founder compensation.
- GAAP entry for the two $1,000 novated obligations.
- Founder stock issuance, par-value, and capitalization entries from Atlas documents.
- August Brex statement confirmation and final subsequent-events cutoff.
- Independent accountant review report for the Wefunder filing.