

PRICE KONG CANNABIS TAX, AUDIT
AND CONSULTING SERVICES



TRUSTED ADVISORS
DEDICATED TO GROWING
SUCCESSFUL NATIONAL
CANNABUSINESSES.



PRICE KONG

CPAs • CONSULTANTS

www.pricekong.com

WE KNOW CANNABIS.

Cannabis is one of the fastest growing and diverse industries in the country. Your cannabis business needs more than traditional accounting and tax services to stay ahead of the ever evolving regulatory and tax laws. It needs trusted advisors that understand how to comply with the unique requirements of each state authority.

Price Kong has represented the cannabis industry throughout the United States and Canada for over a decade and continues to expand its services to meet the needs of cannabis businesses. We provide high-quality tax, attest, consulting, accounting, and compliance services to cultivators, processors, extractors, warehouse and distributors, transporters, dispensaries, investors, and other ancillary businesses. Price Kong also advises on financial growth, mergers and acquisitions, cost accounting, compliance reporting, and strategic planning.

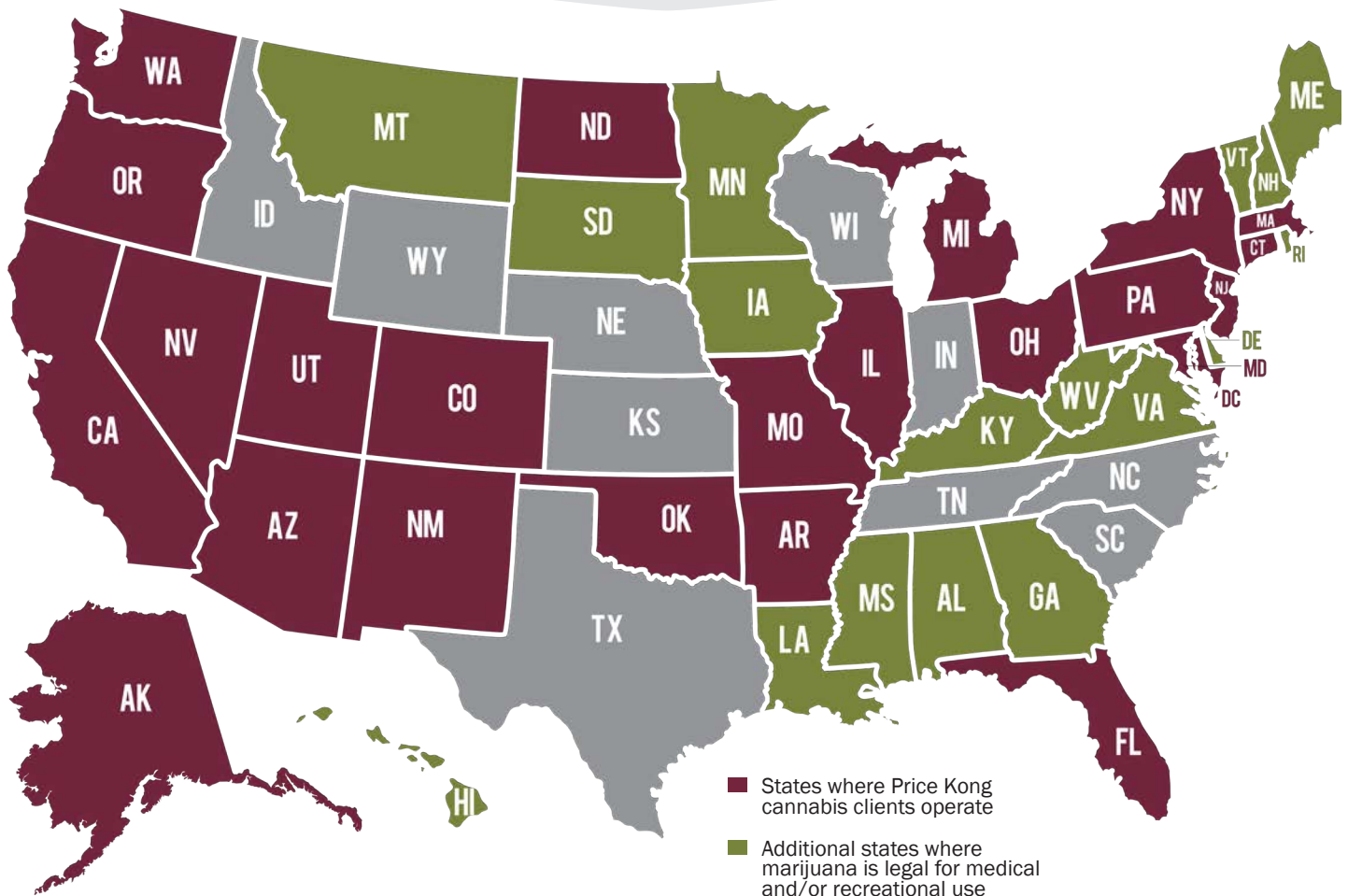
Our clients range in size from locally-owned businesses to large, publicly traded companies with multiple locations nationally. Our in-depth knowledge and industry experience, coupled with our commitment to the success of our cannabis clients, is what sets Price Kong apart from other accounting firms.

We provide services to over 100 cannabis industry clients throughout the United States. The services we provide are supported by these key essentials:

- Relationships
- Responsiveness
- Resources

Our professionals have spent thousands of hours collectively researching and studying the cannabis industry and the many complexities that affect it. Our proprietary time and money-saving models, strategies, and processes have been implemented at dozens of cannabis businesses in Arizona, Arkansas, California, Colorado, Maryland, Massachusetts, Nevada, New Mexico, Ohio, Oregon, Pennsylvania, Washington, and other many other states.

Price Kong also has strong relationships with other professionals that support the cannabis industry, including bankers and commercial real estate brokers. In addition, we have built a network of attorneys who help our team stay current on the ever changing laws and regulations associated with the cannabis industry, and are available to assist our clients when needed.



TAX AND ATTEST

Cannabusinesses are faced with unique tax challenges. Tax law in general can be confusing, but conflicting federal, state, and city tax requirements and regulations make managing a successful, compliant business all the more difficult. Whether you are established or just starting out, Price Kong can help ensure your business is a legal, tax-paying entity. Our tax strategies take into consideration all resources available to optimize deductions and minimize your tax liability, while ensuring 280E compliance.

Price Kong also assists with IRS matters, including filing back taxes, resolving IRC Section 280E compliance disputes, minimizing tax penalties, negotiating installment agreements and payment plans, interpreting and responding to IRS notices, and settling payroll tax issues.

Our experience attest team provides services that are often required by state regulation authorities, including financial statements audits. Those audits must be conducted by an independent CPA that meets the American Institute of Certified Public Accountants (AICPA) requirements.

In addition, Price Kong auditors work with cannabusinesses to provide financial review documentation to investors, and advise clients on financial preparedness in relation to mergers and acquisitions.

TAX PREPARATION, PLANNING AND COMPLIANCE

- Individual and business tax filings and planning
- Sales and excise tax
- IRC Section 280E compliance
- Records management
- Cost allocation and cash maintenance
- Proper allocation of expenses

ATTEST

- Financial statements audits
- Financial statement reviews and compilations
- Internal control implementation
- Mergers and acquisitions
- Inventory audits

CANNABIS AUDIT AND TAX DEPARTMENT LEADERS

TROY GRIFFITH, CPA, AUDIT PARTNER
tgriffith@pkcpa.com | 602.776.6367

Troy serves as the attest partner on all cannabis engagements. He earned his CPA license in 2013 and has worked in public accounting since 2009. He joined Price Kong in 2014 and has been instrumental in growing the firm's Cannabis Services group.

Troy was largely responsible for developing and implementing audit methodologies specifically tailored for the unique compliance and reporting issues cannabis businesses face. He is substantially involved in all cannabis client audits and has an intricate understanding of dispensary operations, controls, and metrics. Troy also works closely with the tax team and clients to consult on 280E allocations and methodologies.

Troy ensures all client financial reviews and audits are completed in accordance with required auditing standards and individual state compliance regulations. In addition to attest services, he consults with companies on unique GAAP rules and implementations, potential M&A transactions, IFRS reporting, due diligence requests, and operational controls.

MELISSA HARRINGTON, TAX DEPARTMENT LEADER
mharrington@pkcpa.com | 602.776.6329

Melissa began her career in public accounting in 2005. Since joining Price Kong in 2015, she has devoted hundreds of hours of study and research to the tax, accounting, and reporting matters and complexities facing companies in the cannabis/hemp industry.

Today, she works almost exclusively in the cannabis industry and is widely recognized as a subject matter expert in cannabis business tax compliance, tax strategy, tax advisory, mergers and acquisitions, consolidations, and business formation.

Melissa's personal study of the medicinal benefits of cannabis began in 2003, soon after she lost her father to cancer. In addition, the medicinal benefits of cannabis was the topic of her Master's thesis and a White Paper she subsequently published in a school periodical. Melissa is a member of several local and national cannabis and hemp industry groups, and a regular participant at state and national industry conferences.

ACCOUNTING AND CONSULTING

Many cannabis businesses fail to implement sound accounting procedures, which leads to inefficiencies and potential issues. Our accounting services include bookkeeping and financial reporting that are GAAP cost compliant. You will be assigned a dedicated professional that will learn your business and help implement efficient accounting processes and best practices. Additionally, Price Kong offers a number of consulting services designed to help you manage a profitable business while minimizing risk. We are deeply engaged with our clients' businesses and the many complexities that affect them. This knowledge enables us to design and implement proprietary time and cost-saving models, strategies, and processes at businesses throughout the United States.

BOOKKEEPING SERVICES

Customers:

- Customer set-up and file management
- Invoice entry
- Receipts and revenue entry
- Accounts receivable management (AR aging report)

Banking:

- Bank Account Transaction Import/Data Entry
- Credit Card Transaction Import/Data Entry

Vendors:

- Vendor set-up and file management
- Vendor W-9 file management
- Purchase order entry
- Inventory management and tracking
- Bill entry
- Bill payment preparation and processing
- Accounts payable management (AP aging report)

CHIEF FINANCIAL OFFICER AND CONTROLLER SERVICES

Consulting and Compliance:

- Monthly financial reviews and financial packages to client
- Budget to actual reporting
- Cash flow projections
- Entity structuring and restructuring
- Forensic auditing and fraud investigations (internal, external, third parties)
- Accounting policies and processes
- Internal control review and consultation

Company:

- Chart of accounts set-up and management
- Fixed asset, depreciation, and amortization schedule preparation and management
- Monthly recurring journal entry schedule preparation and management
- Monthly balance sheet account reconciliation
- Month-end adjusting journal entry preparation and recordation
- Year-end adjusting journal entry preparation and recordation

Banking:

- Monthly banking and credit card transaction review
- Monthly transaction reclassification
- Monthly bank statement reconciliation
- Monthly credit card statement reconciliation
- Monthly inter-company accounts reconciliation

Other

- Business valuation services (starting March 2025)

ACCOUNTING DEPARTMENT LEADERS

TINA WAHL, BOOKKEEPING SUPERVISOR
twahl@pkcpa.com | 602.776.6354

Tina Wahl has worked in the accounting industry for more than 20 years. She provides accounting and tax preparation services to a wide range of businesses, from the smallest start-ups run from home offices to multi-million dollar lending companies.

Tina has extensive experience in Quickbooks consulting and troubleshooting. She is passionate about empowering business owners to understanding how to utilize their accounting tools to manage their businesses.

Tina also leads Price Kong's bookkeeping department, which works with the firm's tax team to ensure clients maximize their deductions and remain compliant with the various state and federal government entities.

CHRIS R. PELLEGRINI, CPA, CONSULTING SERVICES MANAGER
cpellegrini@pkcpa.com | 602.776.6337

Chris Pellegrini is a certified public accountant with a B.S. in Accountancy from Northern Arizona University. He began his public accounting career with KPMG Peat Marwick, providing services to clients such as Del Webb and Doubletree Hotel Corporation. Chris then transitioned his practice focus to the construction and homebuilding industries, spending the next 15 years in CFO roles with Jackson Properties and RS Homes before accepting a CFO position at Starboard Financial. Prior to joining Price Kong, he was CFO at Consensus Holdings, a strategic cannabis operating group that includes cultivation, production, kitchen operations, branded products, and strategic partnership relationships. In May of 2024, Chris joined Price Kong to lead the firm's CFO and controller services. He works with the tax, audit, and bookkeeping department to offer a wide range of consulting services.

ABOUT US

Price Kong was established in Phoenix in 1967. Since then, our team has grown to 42 professionals and includes twelve CPAs. The depth of our attest and tax practices allows us to provide services to clients in numerous industries, of a wide-range of sizes, with revenues ranging from \$1 million to over \$500 million.

Price Kong is committed to providing personalized service and advice to our clients. Our full range of accounting and consulting services enables us to assist clients with understanding their unique situation and ensure they receive expert support, regardless of the engagement or project.

We are members of the “Private Companies Practice Section” of the AICPA. Our membership ensures that we evaluate our practice annually and have an outside peer review every three years.

SERVICES

- Tax Compliance
- Tax Strategy
- Audit
- Review and Compilation
- Forensic Accounting
- Technical Accounting Services
- Interim CFO and Controller Services
- Treasury and Capital Management
- Financial Analysis

VALUES

- Providing high quality auditing, accounting, tax, and business advisory services
- Contributing to our community and the accounting profession
- Growing and maintaining our local identity and personal relationships with clients and business partners that are the foundations of our practices
- Providing efficient and effective services

PRICE KONG ADVANTAGE

Our firm differentiates itself from other accounting firms in the following ways:

- Our size ensures that you will receive the attention you deserve and that all of your needs will be accommodated. Our audit and tax teams are in constant communication with our clients to address potential audit and accounting issues before they arise.
- Partner and manager involvement with our clients is how our practice has grown. We are committed to partner and manager involvement on all our engagements. They meet frequently with clients to learn about changes in their businesses and provide guidance. Your engagement manager coordinates the planning, fieldwork, and reporting aspects of the engagement, while being closely supervised and supported by the engagement leader.
- You will have consistent personnel on your engagement. Our personnel are more experienced than other firms, and this experience benefits you with efficient service and suggestions for improvement. We do not have a rotation policy for any staff level, as we believe continuity is a significant benefit to our clients.
- Price Kong is a member of the Allinial Global Network, a group of 100 firms in the United States and Canada, and 300 firms worldwide. This network allows us to draw on the experience of professionals around the nation, and when appropriate, utilize these firms as an extension of our practice. It is a great resource for any unusual projects or issues that might occur in other jurisdictions.
- In addition to direct communication with clients on a regular basis, we often send out alerts concerning updates on changes or issues that may impact their personal or business finances.