

Frankie's Story LLC

Financial Statements
With Independent Accountants' Review Report Thereon

Year Ended December 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Income	4
Statement of Changes in Members' Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7-8



Robert H. Berger, CPA
John S. Elliott, CPA, CVA
Joseph J. Pritchard, CPA
Thomas W. Hosier, CPA, PFS, CAP®
Dennis L. O'Toole, CPA

Independent Accountant's Review Report

Members' of Frankie's Story LLC

We have reviewed the accompanying financial statements of Frankie's Story LLC (a limited liability company), which comprise the balance sheet as of December, 31, 2021, and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to the member's financial data and making inquiries of the members. 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.

The Members' Responsibility for the Financial Statements

The members are 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 Frankie's Story LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Berger, Elliott & Pritchard CPAs, L.L.C.

September 2, 2022
Omaha, Nebraska

Frankie's Story LLC

Balance Sheet
December 31, 2021

ASSETS

2021

CURRENT ASSETS:

Cash and cash equivalents	\$ 102,454
---------------------------	------------

TOTAL CURRENT ASSETS	<u>102,454</u>
----------------------	----------------

INTANGIBLE ASSETS:

Capitalized film production costs	32,750
-----------------------------------	--------

TOTAL NONCURRENT ASSETS	<u>32,750</u>
-------------------------	---------------

TOTAL ASSETS	<u><u>\$ 135,204</u></u>
--------------	--------------------------

LIABILITIES AND MEMBERS' EQUITY

MEMBERS' EQUITY:

Class A Member Units, 11,750,000 units authorized and issued	\$ -
Distributions to Member	(30,000)

Class B Member Units, 750,000 units authorized and issued	250,000
--	---------

Class C Member Units, 7,250,000 units authorized and none issued	-
---	---

Class D Member Units, 5,250,000 units authorized and none issued	-
---	---

Retained deficit	<u>(84,796)</u>
------------------	-----------------

TOTAL MEMBERS' EQUITY	<u>135,204</u>
-----------------------	----------------

TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 135,204</u></u>
---------------------------------------	--------------------------

See accountants' review report and accompanying notes to financial statements.

Frankie's Story LLC

Statement of Income (Loss) For the Year Ended December 31, 2021

	<u>2021</u>
REVENUE	\$ -
COST OF GOODS SOLD	<u> </u>
GROSS PROFIT	-
OPERATING EXPENSES	
Advertising	(4,500)
Bank Fees	(151)
Client Meals	(3,257)
Legal Fees	(9,078)
Supplies	(213)
Travel	<u>(1,700)</u>
TOTAL OPERATING EXPENSES	(18,899)
OTHER INCOME	
Miscellaneous income	474
TOTAL OTHER INCOME	<u>474</u>
NET (LOSS)	<u><u>\$ (18,425)</u></u>

See accountants' review report and accompanying notes to financial statements.

Frankie's Story LLC

Statements of Changes in Members' Equity December 31, 2021

	<u>Class A Stock</u>	<u>Class B Stock</u>	<u>Distributions to Member</u>	<u>Retained Deficit</u>	<u>Members' Equity</u>
Balance December 31, 2020	\$ -	\$ 250,000	\$ -	\$ (66,371)	\$ 183,629
Distribution to Triple Horse Studios LLC	-	-	(30,000)	-	(30,000)
Net Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,425)</u>	<u>(18,425)</u>
Balance December 31, 2021	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ (30,000)</u>	<u>\$ (84,796)</u>	<u>\$ 135,204</u>

See accountants' review report and accompanying notes to financial statements.

Frankie's Story LLC

Statement of Cash Flows
For The Year Ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net (Loss)	\$ (18,425)
NET CASH (USED) BY OPERATING ACTIVITIES	<u>(18,425)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in capitalized film production costs	<u>(32,750)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(32,750)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on short-term debt	(50,000)
Member distributions	<u>(30,000)</u>
NET CASH (USED) IN FINANCING ACTIVITIES	<u>(80,000)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(131,175)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>233,629</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 102,454</u></u>

See accountants' review report and accompanying notes to financial statements.

Frankie's Story LLC

Notes to Financial Statements For the Year Ended December 31, 2021 See Accountants' Review Report

Note 1. Nature of Business and Significant Accounting Policies

Nature of Business

The Company is Multi Member Limited Liability Company engaging in film production.

A summary of the Company's significant accounting policies follows:

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP). This requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. The Company's significant estimates and assumptions include the fair value valuation of the finished and produced film. It is reasonably possible that factors could have an effect on the Company's estimates and could cause actual results to differ from those estimate and assumptions.

Advertising

The company expenses advertising costs as they are incurred. Advertising expenses for the year December 31, 2021 was \$4,500.

Note 2. Capitalized Film Production Costs

The Company has begun producing their film in 2021. In this developmental process, the Company has incurred significant professional fees, including legal and accounting, screen writing, and preliminary film production costs. As of December 31, 2021 these developmental expenses and costs amounted to \$32,750 and are reported in these financial statements as capitalized film production costs.

Frankie's Story LLC

Notes to Financial Statements For the Year Ended December 31, 2021 See Accountants' Review Report

Note 2. Capitalized Film Production Costs (continued)

The Company will begin amortization of capitalized film costs when a film is released and it begins to recognize revenue from the film.

Unamortized film costs shall be tested for impairment whenever events or changes in circumstances indicated that fair value of a film may be less than its unamortized costs.

For 2021, there is no amortization of the capitalized film production costs, and no impairment has occurred.

Note 3. Income Taxes

The Company is generally not subject to federal income tax and the members are liable for the pass-through federal and state income tax on their share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes have been included in the financial statements.

Note 4. Members' Units

Membership of the Company consists of Class A, Class B, Class C, and Class D units. Each unit having equal ownership, calculated by dividing the number of units owned by the total number of units outstanding. However, Class B, Class C, and Class D units differ from Class A units in that these units do not carry a right to vote or participate in any meetings of the Company. As of December 31, 2021, 11,750,000 of Class A units have been issued, 750,000 of Class B units have been issued, and no units have been issued for Class C and Class D.

Note 5. Subsequent Events

Subsequent to year end, the Company is in works to offer an investing opportunity to private and Crowdfund investors in order to fund the production of the movie.

The Company has evaluated subsequent events through September 2, 2022 the date on which the financial statements were available to be issued and determined there are no other events to disclose.