

---

**T.M.S. Enterprises, Inc. dba. Shale Oil & Gas Business  
Magazine**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022 AND 2021  
*(Audited)***

*(Expressed in United States Dollars)*

---

## INDEX TO FINANCIAL STATEMENTS

---

	Page
INDEPENDENT ACCOUNTANT'S AUDIT REPORT .....	1
FINANCIAL STATEMENTS:	
Balance Sheet .....	3
Statement of Operations .....	4
Statement of Changes in Stockholders' Equity .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7

---



10586 W Pico Blvd, Suite 224, Los Angeles, CA 90064  
[www.setapartfinancial.com](http://www.setapartfinancial.com)  
213-814-2809

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
T.M.S. Enterprises, Inc.  
dba. Shale Oil & Gas Business Magazine  
Houston, Texas

### **Opinion**

We have audited the financial statements of T.M.S. Enterprises, Inc. dba. Shale Oil & Gas Business Magazine (the "Company,"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for period of twelve months from the end of the year ended December 31, 2022.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

SetApart FS

October 2, 2023  
Los Angeles, California

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE****BALANCE SHEET**

---

<b>As of December 31,</b>	<b>2022</b>		<b>2021</b>	
(USD \$ in Dollars)				
<b>ASSETS</b>				
Current Assets:				
Cash & cash equivalents	\$	24,020	\$	23,484
Prepays and other current assets		18,314		25,986
<b>Total current assets</b>		<b>42,334</b>		<b>49,470</b>
<b>Total assets</b>	<b>\$</b>	<b>42,334</b>	<b>\$</b>	<b>49,470</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current Liabilities:				
Line of credit	\$	3,000	\$	7,952
Credit Cards		19,339		-
Current portion of long-term debt		1,000		2,583
Other current liabilities		1,279		1,156
<b>Total current liabilities</b>		<b>24,618</b>		<b>11,691</b>
Long-term debt, net		8,876		27,417
<b>Total liabilities</b>	<b>\$</b>	<b>33,494</b>	<b>\$</b>	<b>39,108</b>
<b>STOCKHOLDERS' EQUITY</b>				
Common Stock		1,000		1,000
Additional Paid In Capital		54,359		46,695
Shareholder distributions		(128,347)		(74,856)
Retained earnings/(Accumulated Deficit)		81,828		37,523
<b>Total stockholders' equity</b>		<b>8,840</b>		<b>10,362</b>
<b>Total liabilities and members' equity</b>	<b>\$</b>	<b>42,334</b>	<b>\$</b>	<b>49,470</b>

*See accompanying notes to financial statements.*

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**STATEMENTS OF OPERATIONS**

<b>For Fiscal Year Ended December 31,</b>	<b>2022</b>		<b>2021</b>	
(USD \$ in Dollars)				
Net revenue	\$	364,760	\$	384,123
Cost of goods sold		52,572		38,562
Gross profit		312,188		345,561
<b>Operating expenses</b>				
Sales and marketing		8,771		28,125
General and administrative		280,293		248,677
Total operating expenses		289,064		276,802
Operating income/(loss)		23,124		68,759
Interest expense		1,330		1,156
Other Loss/(Income)		(53)		(686)
Income/(Loss) before provision for income taxes		21,847		68,289
Provision/(Benefit) for income taxes		-		-
<b>Net income/(Net Loss)</b>	<b>\$</b>	<b>21,847</b>	<b>\$</b>	<b>68,289</b>

*See accompanying notes to financial statements.*

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

For Fiscal Year Ended December 31, 2022

(USD \$ in Dollars, except per share data)	Common Stock		Additional Paid in Capital	Shareholder Distributions	Retained earnings/ (Accumulated Deficit)	Total Shareholders' Equity
	Shares	Amount				
<b>Balance—December 31, 2020</b>	1,000	\$ 1,000	\$ 34,155	\$ (15,373)	\$ (30,766)	\$ (10,984)
Capital Contribution	-	-	12,540	-	-	12,540
Shareholder Distributions	-	-	-	(59,483)	-	(59,483)
Net income/(loss)	-	-	-	-	68,289	68,289
<b>Balance—December 31, 2021</b>	<b>1,000</b>	<b>\$ 1,000</b>	<b>\$ 46,695</b>	<b>\$ (74,856)</b>	<b>\$ 37,523</b>	<b>\$ 10,362</b>
Capital Contribution	-	-	7,664	-	-	7,664
Shareholder Distributions	-	-	-	(53,491)	-	(53,491)
Adjustment related to prior years	-	-	-	-	22,458	22,458
Net income/(loss)	-	-	-	-	21,847	21,847
<b>Balance—December 31, 2022</b>	<b>1,000</b>	<b>\$ 1,000</b>	<b>\$ 54,359</b>	<b>\$ (128,347)</b>	<b>\$ 81,828</b>	<b>\$ 8,840</b>

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**STATEMENTS OF CASH FLOWS**

<b>As of December 31,</b>	<b>2022</b>	<b>2021</b>
(USD \$ in Dollars)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ 21,847	\$ 68,289
<i>Adjustments to reconcile net income to net cash provided/(used) by operating activities:</i>		
Retained earnings adjustment	22,458	
Depreciation and amortization	-	-
Changes in operating assets and liabilities:		
Accounts receivable, net	-	100
Prepaid expenses and other current assets	7,672	(25,136)
Credit Cards	19,339	-
Other current liabilities	123	1,156
<b>Net cash provided/(used) by operating activities</b>	<b>71,439</b>	<b>44,409</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital contribution	7,664	12,540
Shareholder distribution	(53,491)	(59,483)
Granted loans	-	-
Proceeds from Line of credit, net	(25,076)	7,952
<b>Net cash provided/(used) by financing activities</b>	<b>(70,903)</b>	<b>(38,991)</b>
Change in cash	536	5,418
Cash—beginning of year	23,484	18,066
<b>Cash—end of year</b>	<b>\$ 24,020</b>	<b>\$ 23,484</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ -	\$ 1,156
Cash paid during the year for income taxes	\$ -	\$ -
<b>OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES</b>		
Purchase of property and equipment not yet paid for	\$ -	\$ -
Conversion of debt into equity	\$ -	\$ -

*See accompanying notes to financial statements.*



**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

**1. NATURE OF OPERATIONS**

T.M.S. Enterprises Inc. dba. Shale Oil & Gas Business Magazine was originally formed on December 1, 2003, in the state of Texas. The financial statements of T.M.S. Enterprises, Inc. dba. Shale Oil & Gas Business Magazine (which may be referred to as the “Company”, “we”, “us”, or “our”) are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Company’s headquarters are located in San Antonio, Texas.

T.M.S. Enterprises Inc. dba. Shale Oil & Gas Business Magazine is a publication which showcases the dynamic impact of the energy industry. The mission of Shale is to promote economic growth and business opportunities and to further the general understanding of how the energy industry contributes to the economic well-being of Texas and the United States as a whole. Shale’s distribution includes industry leaders and businesses, service workers, entrepreneurs and the public at large.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (“US GAAP”). The Company has adopted the calendar year as its basis of reporting.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of expenses during the reporting periods. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

**Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

**Level 1** – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

**Level 2** – Include other inputs that are directly or indirectly observable in the marketplace.

**Level 3** – Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2022, and 2021. These financial instruments include cash, accounts payable, and accrued liabilities. Fair values for these items were assumed to approximate carrying values because of their short term in nature or they are payable on demand.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash in banks. The Company's cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2022, and December 31, 2021, the Company's cash and cash equivalents did not exceed FDIC insured limits.

**Concentration of Credit Risk**

The Company maintains its cash with a major financial institution located in the United States of America which it believes to be creditworthy. Balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

**Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are recorded at a net realizable value or the amount that the Company expects to collect on gross customer trade receivables. We estimate losses on receivables based on known troubled accounts and historical experience of losses incurred. Receivables are considered impaired and written-off when it is probable that all contractual payments due will not be collected in accordance with the terms of the agreement. As of December 31, 2022, and December 31, 2021 the Company determined that no reserve was necessary.

**Impairment of Long-lived Assets**

Long-lived assets, such as property and equipment and identifiable intangibles with finite useful lives, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We look for indicators of a trigger event for asset impairment and pay special attention to any adverse change in the extent or manner in which the asset is being used or in its physical condition. Assets are grouped and evaluated for impairment at the lowest level of which there are identifiable cash flows, which is generally at a location level. Assets are reviewed using factors including, but not limited to, our future operating plans and projected cash flows. The determination of whether impairment has occurred is based on an estimate of undiscounted future cash flows directly related to the assets, compared to the carrying value of the assets. If the sum of the undiscounted future cash flows of the assets does not exceed the carrying value of the assets, full or partial impairment may exist. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. Fair value is determined using an income approach, which requires discounting the estimated future cash flows associated with the asset.

**Revenue Recognition**

The Company recognizes revenues in accordance with FASB ASC 606, revenue from contracts with customers, when delivery of goods is the sole performance obligation in its contracts with customers. The Company typically collects payment upon sale and recognizes the revenue when the item has shipped and has fulfilled its sole performance obligation.

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**

**NOTES TO FINANCIAL STATEMENTS**

**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

---

Revenue recognition, according to Topic 606, is determined using the following steps:

- 1) Identification of the contract, or contracts, with the customer: the Company determines the existence of a contract with a customer when the contract is mutually approved; the rights of each party in relation to the services to be transferred can be identified, the payment terms for the services can be identified, the customer has the capacity and intention to pay, and the contract has commercial substance.
- 2) Identification of performance obligations in the contract: performance obligations consist of a promised in a contract (written or oral) with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- 3) Recognition of revenue when, or how, a performance obligation is met: revenues are recognized when or as control of the promised goods or services is transferred to customers.

The Company earns revenues from the distribution of news and other energy industry related content.

**Cost of sales**

Costs of goods sold include costs of printing, editing, social media maintenance, etc.

**Advertising and Promotion**

Advertising and promotional costs are expensed as incurred. Advertising and promotional expenses for the years ended December 31, 2022, and December 31, 2021, amounted to \$8,771 and \$28,125, which is included in sales and marketing expenses.

**Income Taxes**

The Company is an S corporation for income tax purposes. Under these provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the members are liable for individual federal and state income taxes on their respective shares of the Company's taxable income. The Company has filed tax returns from inception through 2021 and is not subject to tax examination by the Internal Revenue Service or state regulatory agencies.

**Subsequent Events**

The Company considers events or transactions that occur after the balance sheets date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through October 2, 2023, which is the date the financial statements were issued.

**Recently Issued and Adopted Accounting Pronouncements**

In February 2019, FASB issued ASU No. 2019-02, leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than twelve months. ASU 2019-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15,

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on financial statements and related disclosures.

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. The standard implementation did not have a material impact.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. The standard implementation did not have a material impact.

In August 2020, FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity; Own Equity (“ASU 2020-06”), as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Among other changes, the new guidance removes from GAAP separation models for convertible debt that require the convertible debt to be separated into a debt and equity component, unless the conversion feature is required to be bifurcated and accounted for as a derivative or the debt is issued at a substantial premium. As a result, after adopting the guidance, entities will no longer separately present such embedded conversion features in equity and will instead account for the convertible debt wholly as debt. The new guidance also requires use of the “if-converted” method when calculating the dilutive impact of convertible debt on earnings per share, which is consistent with the Company’s current accounting treatment under the current guidance. The guidance is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted, but only at the beginning of the fiscal year. The Company is currently evaluating the impact the adoption of ASU 2020-06 will have on the Company’s financial statements.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

**Lease Accounting**

In February 2016, the FASB issued ASU No. 2016-02, leases (*Topic 842*). The new standard introduces a new lessee model that brings substantially all leases onto the balance sheets. The amendments in the ASU are effective for fiscal years beginning after December 15, 2021.

We adopted the standard effective January 1, 2022, using the modified retrospective adoption method which allowed us to initially apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of accumulated deficit. In connection with our adoption of the new lease pronouncement, we recorded a charge to retain earnings.

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

*Effects of Adoption*

We have elected to use the practical expedient package that allows us to not reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. We additionally elected to use the practical expedients that allow lessees to: (1) treat the lease and non-lease components of leases as a single lease component for all of our leases and (2) not recognize on our balance sheet leases with terms less than twelve months.

We determine if an arrangement is a lease at inception. We lease certain manufacturing facilities, warehouses, offices, machinery and equipment, vehicles and office equipment under operating leases. Under the new standard, operating leases result in the recognition of ROU assets and lease liabilities on the consolidated balance sheet. ROU assets represent our right to use the leased asset for the lease term and lease liabilities represent our obligation to make lease payments. Under the new standard, operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, upon adoption of the new standard, we used our estimated incremental borrowing rate based on the information available, including lease term, as of January 1, 2022, to determine the present value of lease payments. Operating lease ROU assets are adjusted for any lease payments made prior to January 1, 2022, and any lease incentives. Certain of our leases may include options to extend or terminate the original lease term. We generally conclude that we are not reasonably certain to exercise these options due primarily to the length of the original lease term and our assessment that economic incentives are not reasonably certain to be realized. Operating lease expense under the new standard is recognized on a straight-line basis over them lease term. Our current finance lease obligations consist primarily of cultivation and distribution facility leases.

*Summary of Effects of Lease Accounting Standard Update Adopted in 2022*

There were no effects since the Company has no long-term lease agreements.

**3. DETAILS OF CERTAIN ASSETS AND LIABILITIES**

Prepaid and other current assets consist of the following items:

<b>As of Year Ended December 31,</b>	<b>2022</b>	<b>2021</b>
Prepaid expenses	17,064	10,433
Security deposit	1,250	1,250
Undeposited funds	-	14,303
<b>Total Other Current Assets</b>	<b>18,314</b>	<b>25,986</b>

Other current liabilities refer to accrued interest.

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

**4. CAPITALIZATION AND EQUITY TRANSACTIONS**

**Common Stock**

The Company is authorized to issue 1,000 shares of Common Stock with a par value of \$1 per share. As of both December 31, 2022, and December 31, 2021, 1,000 shares have been issued and are outstanding.

**5. DEBT**

During the years presented, the Company has entered into loans. The details of the Company's loans and the terms are as follows:

Debt instrument name	Principal amount	Interest rate	Borrowing period	Maturity date	For the Year ended December 2022					For the Year ended December 2021				
					Interest expense	Accrued interest	Current portion	Non-current portion	Total indebtedness	Interest expense	Accrued interest	Current portion	Non-current portion	Total indebtedness
EIDL Loan	\$30,000	3.8%	Fiscal year 2020	05/20/2050	\$748	\$748	\$1,000	\$8,876	\$9,876	\$900	\$900	\$2,583	\$27,417	\$30,000
credit	\$10,000	9.7%	Fiscal year 2021 1 year from withdrawal		531	531	3,000	-	3,000	256	256	7,952	-	7,952
<b>Total</b>					<b>\$1,279</b>	<b>\$1,279</b>	<b>\$4,000</b>	<b>\$8,876</b>	<b>\$12,876</b>	<b>\$1,156</b>	<b>\$1,156</b>	<b>\$10,535</b>	<b>\$27,417</b>	<b>\$37,952</b>

The summary of the future maturities is as follows:

**As of the Year Ended December 31, 2021**

2023	\$4,000
2024	1,000
2025	1,000
2026	1,000
2027	1,000
Thereafter	4,876
<b>Total</b>	<b>\$12,876</b>

**6. RELATED PARTY TRANSACTIONS**

There are no related party transactions.

**7. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. Management of the Company believes that the Company is in compliance with applicable local and state regulation as of December 31, 2022, and December 31, 2021.

**T.M.S. ENTERPRISES INC. DBA. SHALE OIL & GAS BUSINESS MAGAZINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR YEAR ENDED TO DECEMBER 31, 2022 AND DECEMBER 31, 2021**

---

---

**Litigation and Claims**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2022, and December 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations.

**8. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events that occurred after December 31, 2022, through October 2, 2023, which is the issuance date of these financial statements.

There have been no events or transactions during this time which would have a material effect on these financial statements.