

Phrame, Inc.
Statement of Cash Flow
Recent Quarter and FY 2016

| | Last Quarter | 31-Dec-16 | 31-Dec-15 |
|---|---------------------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net Income | \$ (172,575) | \$ (651,178) | \$ (127,959) |
| Adjustments to Reconcile Net Income to Net Cash Flows From Operating Activities: | | | |
| Depreciation | - | - | - |
| Deferred Income Taxes | - | - | - |
| Decrease (Increase) in Operating Assets: | | | |
| Trade Accounts Receivable | | | |
| Inventory | | (7,427) | (1,200) |
| Prepaid Income Taxes | | | |
| Increase (Decrease) in Operating Liabilities: | | | |
| Accounts Payable | 5,006 | 14,822 | 5,178 |
| Credit Cards Payable | <u>5,006</u> | <u>7,395</u> | <u>3,978</u> |
| Total Adjustments | <u>(167,569)</u> | <u>(643,783)</u> | <u>(123,981)</u> |
| Net Cash Flows From Operating Activities | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of Property and Equipment | | (5,400) | (93,431) |
| Net Cash Flows From Investing Activities | <u>-</u> | <u>(5,400)</u> | <u>(93,431)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of Debt | | | |
| Member's Withdrawals | 205,000 | 730,000 | 216,883 |
| Net Cash Flows From Financing Activities | <u>205,000</u> | <u>730,000</u> | <u>216,883</u> |
| NET INCREASE (DECREASE) IN CASH | 37,431 | 80,817 | (529) |
| CASH - BEGINNING | 47,529 | 4,143 | 4,673 |
| CASH - ENDING | \$ 84,960 | \$ 84,960 | \$ 4,144 |

Phrame, Inc.
Statements of Financial Position
Recent Quarter and FY 2016

| | <u>Last Quarter</u> | <u>31-Dec-16</u> | <u>31-Dec-15</u> |
|--|--------------------------|--------------------------|-------------------------|
| URRENT ASSETS: | | | |
| Cash | \$ 84,961 | \$ 84,961 | \$ 4,143 |
| Accounts Receivable | 8,627 | 8,627 | 1,200 |
| Inventory | 0 | 0 | 0 |
| Prepaid Income Taxes | 93,588 | 93,588 | 5,343 |
| Total Current Assets | <u>93,588</u> | <u>93,588</u> | <u>5,343</u> |
| ROPERTY AND EQUIPMENT: | | | |
| Machinery and Equipment | 98,831 | 98,831 | 93,431 |
| Less: Accumulated Depreciation | 0 | 0 | 0 |
| Net Property and Equipment | <u>98,831</u> | <u>98,831</u> | <u>93,431</u> |
| TOTAL ASSETS | <u><u>\$ 192,419</u></u> | <u><u>\$ 192,419</u></u> | <u><u>\$ 98,774</u></u> |
| URRENT LIABILITIES: | | | |
| Current Portion of Long-Term Debt | \$ 0 | \$ 0 | \$ 0 |
| Accounts Payable | 0 | 0 | 0 |
| Credit Cards Payable | 19,372 | 19,372 | 4,550 |
| Total Current Liabilities | <u>19,372</u> | <u>19,372</u> | <u>4,550</u> |
| EFFERRED TAX LIABILITY | - | - | 0 |
| ONG-TERM LIABILITIES | 0 | 0 | 0 |
| TOTAL LIABILITIES | <u>19,372</u> | <u>19,372</u> | <u>4,550</u> |
| EMBER'S EQUITY | <u>173,047</u> | <u>173,047</u> | <u>94,224</u> |
| TOTAL LIABILITIES AND MEMBER'S EQUITY | <u><u>\$ 192,419</u></u> | <u><u>\$ 192,419</u></u> | <u><u>\$ 98,774</u></u> |

Phrame, Inc.
Statements of Operations
Recent Quarter and FY 2016

| | Last Quarter | 31-Dec-16 | 31-Dec-15 |
|---------------------------------|---------------------|---------------------|-------------------|
| SALES | \$ 514 | \$ 7,666 | \$ 12,315 |
| COST OF SALES | <u>148,524</u> | <u>571,251</u> | <u>85,939</u> |
| GROSS PROFIT | <u>148,010</u> | <u>563,585</u> | <u>73,624</u> |
| OPERATING EXPENSES: | | | |
| Advertising | 6,274 | 10,817 | 382 |
| Auto and Truck Expenses | 102 | 1,407 | 4,182 |
| Bank Service Charges | 367 | 1,091 | 761 |
| Depreciation | | | |
| Insurance | | | |
| Legal and Accounting | 6,191 | 28,756 | 13,128 |
| Miscellaneous | 2,115 | 5,383 | 1,822 |
| Payroll Taxes | | | |
| Rent | 4,763 | 18,948 | 3,463 |
| Repairs and Maintenance | | | |
| Supplies | 493 | 4,460 | 3,873 |
| Travel | 3,787 | 14,940 | 26,407 |
| Utilities | 473 | 1,791 | 317 |
| Wages | | | |
| Total Operating Expenses | <u>24,565</u> | <u>87,593</u> | <u>54,335</u> |
| OPERATING INCOME (LOSS) | <u>(172,575)</u> | <u>(651,178)</u> | <u>(127,959)</u> |
| INTEREST EXPENSE | | | |
| NET INCOME BEFORE TAXES | <u>(172,575)</u> | <u>(651,178)</u> | <u>(127,959)</u> |
| INCOME TAXES: | | | |
| Current | - | - | - |
| Deferred | - | - | - |
| NET INCOME | <u>\$ 172,575</u> | <u>\$ (651,178)</u> | <u>\$ 127,959</u> |