

**CINEMADRAFT, LLC**

*Unaudited Financial Statements For The Years Ended December 31, 2016*

April 17, 2017



## Independent Accountant's Review Report

To Management  
CinemaDraft, LLC  
Las Vegas, NV

We have reviewed the accompanying balance sheet of CinemaDraft, LLC as of December 31, 2016, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. 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.

### ***Management's Responsibility for the Financial Statements***

Management is 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 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of my procedures provide a reasonable basis for our report.

### ***Accountant's 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 conformity with accounting principles generally accepted in the United States of America.

Jason M. Tyra, CPA, PLLC  
Dallas, TX  
April 17, 2017

**CINEMADRAFT, LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2016**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 4,757
TOTAL CURRENT ASSETS	<hr/> 4,757
TOTAL ASSETS	<hr/> <hr/> \$ 4,757

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	34,375
Current portion of Notes Payable	51,422
Loan from Related Party	3,500
TOTAL CURRENT LIABILITIES	<hr/> \$ 89,297
TOTAL LIABILITIES	<hr/> <hr/> 89,297

**MEMBERS' EQUITY**

Contributed Capital	20
Retained Earnings (Deficit)	(84,561)
TOTAL MEMBERS' EQUITY	<hr/> (84,541)
TOTAL LIABILITIES AND MEMBERS' EQUITY	<hr/> <hr/> \$ 4,757

**CINEMADRAFT, LLC**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**Operating Income**

Sales	\$	-
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**Gross Profit**

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**Operating Expense**

Salaries	63,079
General and Administrative	9,569
Professional Fees	6,124
Advertising	3,827
Prizes	1,596
Computer and Internet	366
	<hr/>
	84,561

**Net Income**

\$	<u>(84,561)</u>
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**CINEMADRAFT, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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<b>Net Income (Loss) For The Period</b>	\$ (84,561)
<b>Cash Flows From Operating Activities</b>	
Change in Accounts Receivable	34,275
<b>Cash Flows From Financing Activities</b>	
Change in Contributed Capital	20
Loan from Related Party	3,500
Sale of Notes	51,422
<b>Net Cash Flows From Financing Activities</b>	<hr/> 54,942
<b>Cash at Beginning of Period</b>	-
<b>Net Increase (Decrease) In Cash</b>	<hr/> 4,657
<b>Cash at End of Period</b>	<hr/> \$ 4,657

CINEMADRAFT, LLC  
 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)  
 DECEMBER 31, 2016

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**NOTE A- ORGANIZATION AND NATURE OF ACTIVITIES**

CinemaDraft, LLC (“the Company”) is a limited liability company organized under the laws of the State of Nevada. The Company operates an online film and TV themed fantasy gaming platform.

The Company will conduct an equity crowdfund offering during the second quarter of 2017 for the purpose of raising operating capital. The Company’s ability to continue as a going concern or to achieve management’s objectives may be dependent on the outcome of the offering or management’s other efforts to raise operating capital.

**NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

**Notes Payable**

In 2016, the Company issued a series of convertible notes (“the Notes”) for the purpose of raising operating capital. The Notes are convertible to membership interests in the event of non-payment at maturity. The Notes may also be paid in full without conversion at the discretion of management. The Notes mature in April of 2017 and accrue interest at the rate of 4% per annum.

As of the date the financial statements were available to be issued, management believed that the notes would convert to membership interests at maturity.

**Advertising Costs**

The Company expenses direct advertising costs as incurred.

**Income Taxes**

The Company is subject to tax filing requirements in the federal jurisdiction of the United States. The Company incurred a net operating loss during tax year 2016. Net operating losses may be carried

**CINEMADRAFT, LLC**  
**NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**

forward for up to twenty years and applied against income in future years to reduce taxes due. Due to management's uncertainty as to the timing and valuation of the benefits associated with net operating loss carryforwards, no allowance has been recognized in the financial statements to account for them. The Company's 2016 federal tax filing will be subject to inspection by the Internal Revenue Service until 2020.

**NOTE C- CONCENTRATIONS OF RISK**

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and cash equivalents with a limited number of high quality financial institutions and at times may exceed the amount of insurance provided on such deposits.

**NOTE D- SUBSEQUENT EVENTS**

Management considered events subsequent to the end of the period but before April 17, 2017, the date that the financial statements were available to be issued.