

**THE SHIFT, LLC**

---

**REVIEW REPORT**

---

**FOR THE THREE MONTHS  
ENDED DECEMBER 31, 2018**

# THE SHIFT, LLC

## TABLE OF CONTENTS

FOR THE THREE MONTHS  
ENDED DECEMBER 31, 2018

### FINANCIAL SECTION

Independent Accountant's Review Report	1
Financial Statements	
Balance Sheet	2
Statement of Income	3
Statement of Member's Deficit	4
Statement of Cash Flows	5
Notes to the Financials	6



**PAUL C. CHEN**  
ACCOUNTANCY CORPORATION

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Member  
The Shift, LLC  
Fresno, California

We have reviewed the accompanying financial statements of The Shift, LLC, which comprise the balance sheet as of December 31, 2018 and the related statements of income and member's deficit and cash flows for the three months 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 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 misstatements 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.

**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 accordance with accounting principles generally accepted in the United States of America.

*Paul C. Chen Accountancy Corp.*

Fresno, CA  
June 20, 2019

**THE SHIFT, LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ -
<b>Total Current Assets</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ -</b>
<b>LIABILITIES &amp; MEMBER'S DEFICIT</b>	
<b>CURRENT LIABILITIES</b>	
State Tax Payable	\$ 800
<b>Total Current Liabilities</b>	<b>800</b>
<b>Total Liabilities</b>	<b>800</b>
<b>MEMBER'S DEFICIT</b>	
Managing Member's Capital, 2,180,000 units authorized & issued	475
Non-Managing Members' Capital, 1,070,000 units authorized, 0 issued	-
Accumulated Deficit	(1,275)
<b>Total Member's Deficit</b>	<b>(800)</b>
<b>TOTAL LIABILITIES &amp; MEMBER'S DEFICIT</b>	<b>\$ -</b>

See Accompanying Notes and Independent Accountant's Review Report.

**THE SHIFT, LLC**  
**STATEMENT OF INCOME**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2018**

**REVENUES**

Sales \$           -

**TOTAL REVENUES**           -

**OPERATING EXPENSES**

Startup Costs           475

**TOTAL OPERATING EXPENSES**           475

**NET OPERATING LOSS** (475)

**OTHER INCOME (EXPENSE)**

Other Income (Expense)           -

**NET LOSS BEFORE INCOME TAXES** (475)

**STATE INCOME TAX EXPENSE**           (800)

**NET LOSS**           \$ (1,275)

See Accompanying Notes and Independent Accountant's Review Report.

**THE SHIFT, LLC**  
**STATEMENT OF MEMBER'S DEFICIT**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2018**

	Contribution	Withdrawal	Accumulated Deficit	Total
<b>Balance at October 15, 2018</b>	\$ -	\$ -	\$ -	\$ -
Managing Member's Contribution	475			
Managing Member's Withdrawal		-		
Non-Managing Members' Contribution	-			
Non-Managing Members' Withdrawal		-		
Net Income (Loss)			(1,275)	
<b>Balance at December 31, 2018</b>	<b>\$ 475</b>	<b>\$ -</b>	<b>\$ (1,275)</b>	<b>\$ (800)</b>

See Accompanying Notes and Independent Accountant's Review Report.

**THE SHIFT, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MOTNHS ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Loss	\$	(1,275)
Adjustments to reconcile net income to net cash used by operating activities		
Increase in state tax payable		800
<b>Net cash used by operating activities</b>		<u>(475)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net cash used by investing activities		-
---------------------------------------	--	---

**CASH FLOWS FROM FINANCING ACTIVITIES**

Contribution by member		475
<b>Net cash provided by financing activities</b>		<u>475</u>

<b>NET INCREASE (DECREASE) IN CASH</b>		<u>-</u>
--	--	----------

<b>CASH, Beginning of Period</b>		<u>-</u>
----------------------------------	--	----------

<b>CASH, End of Period</b>	<b>\$</b>	<u><u>-</u></u>
----------------------------	-----------	-----------------

**SUPPLEMENTAL CASH FLOW INFORMATION**

Interest paid	\$	<u>-</u>
Income taxes paid	\$	<u><u>-</u></u>

See Accompanying Notes and Independent Accountant's Review Report.

**THE SHIFT, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations** – The Shift, LLC, a California Single Member Limited Liability Company (the Company), was formed on October 15, 2018. The Company is planning to engage in business of the production of Brock Heasley’s new feature film currently titled “The Shift”.

**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.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Cash and Cash Equivalents** – Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

**NOTE 2: INCOME TAXES**

A Single Member Limited Liability Company is generally not subject to federal income tax and the member is liable for the pass-through individual federal and state income tax on his share of the Company’s taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company is, however, subject to California State Limited Liability Company Tax of \$800 and Limited Liability Company Fee, which is based on the Company’s annual income, ranging from \$0-\$11,790. The current period tax and fees total \$800.

**NOTE 3: SUBSEQUENT EVENTS**

The Company evaluated subsequent events through June 20, 2019, the date which the financial statements available to be issued for the three months ended December 31, 2018. The Company believes there have been no material subsequent events that required recognition in the financial statements.

See Independent Accountant’s Review Report.