PURSUIT ALERT, LLC

Unaudited Financial Statements For The Years Ended December 31, 2021 and 2020

Jason M. Tyra
CPA PLLC

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
Pursuit Alert, LLC
Pickens, SC

We have reviewed the accompanying financial statements of Pursuit Alert, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2021 and August 31, 2022, and the related statements of income, changes in members' equity, and cash flows for the years 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 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.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note B, certain conditions raise an uncertainty about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note B. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

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Dallas, TX
December 21, 2022

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PURSUIT ALERT, LLC
BALANCE SHEET
DECEMBER 31, 2021 AND 2020

		2021		2020
ASSETS				
NON-CURRENT ASSETS				
Cash	$	3,565	$	3,896
Inventory		6,889		6,889
TOTAL CURRENT ASSETS		10,454		10,785
NON-CURRENT ASSETS				
Intangible Assets		43,403		43,403
Accumulated Amortization		(8,544)		(6,408)
TOTAL NON-CURRENT ASSETS		34,859		36,995
TOTAL ASSETS	$	45,313	$	47,780
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES				
Accrued Expenses		64,680		11,190
Accounts Payable		62,845		64,071
Line of Credit-Current		15,000		15,000
Deferred Royalties		10,259		-
Unearned Revenue		-		45,732
TOTAL CURRENT LIABILITIES		152,784		135,993
NON-CURRENT LIABILITIES				
Related Party Loans		100,407		70,407
Convertible Note		50,000		50,000
Accrued Interest		2,173		13,673
EIDL Loan		-		1,000
TOTAL LIABILITIES		305,364		271,073
MEMBERS' EQUITY				
Retained Deficit		(260,051)		(223,293)
TOTAL MEMBERS' EQUITY		(260,051)		(223,293)
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	45,313	$	47,780

PURSUIT ALERT, LLC
INCOME STATEMENT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

		2021		2020
Operating Income				
Sales	$	224,489	$	12,091
Cost of Goods Sold		148,512		3,988
Gross Profit		75,977		8,103
Operating Expense				
Contractors & Professional Fees		73,854		146,692
General & Administrative		21,365		11,667
Advertising & Marketing		5,178		8,020
Amortization		2,136		2,136
		102,533		168,515
Net Loss from Operations		(26,556)		(160,412)
Other Income (Expense)				
Other Income		1,000		3,000
Interest Expense		(942)		(4,224)
Royalty Expense		(10,259)		-
Net Loss	$	(36,758)	$	(161,637)

PURSUIT ALERT, LLC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Net Loss For The Period	$ (36,758)	$ (161,637)
Change in Accrued Expenses	53,490	8,190
Change in Deferred Royalties	10,259	-
Amortization	2,136	2,136
Change in Accounts Payable	(1,226)	403
Change in Unearned Revenue	(45,732)	44,335
Net Cash Flows From Operating Activities	(17,831)	(106,573)
Cash Flows From Investing Activities		
Purchase of Intangible Assets	-	(3,600)
Net Cash Flows From Investing Activities	-	(3,600)
Cash Flows From Financing Activities		
Proceeds from Borrowings	30,000	74,900
(Extinguishment)/Issuance of EIDL Loan	(1,000)	(2,000)
Capitalization/(Payment) of Accrued Interest	(11,500)	3,418
Net Cash Flows From Financing Activities	17,500	76,318
Cash at Beginning of Period	3,896	37,750
Net Decrease In Cash	(331)	(33,854)
Cash at End of Period	$ 3,565	$ 3,896

PURSUIT ALERT, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Contributed Capital	Retained Deficit	Total Members' Equity
Balance at December 31, 2019	$ -	$ (61,656)	$ (61,656)
Net Loss		(161,637)	(161,637)
Balance at December 31, 2020	$ -	$ (223,293)	$ (223,293)
Net Loss		(36,758)	(36,758)
Balance at December 31, 2021	$ -	$ (260,051)	$ (260,051)

NOTE A- ORGANIZATION AND NATURE OF ACTIVITIES

Pursuit Alert, LLC ("the Company") is a limited liability company organized under the State of South Carolina. The Company offers a warning system that allows law enforcement to send real-time messaging to citizens mobile phones when near an emergency response or other dangerous situations.

NOTE B- GOING CONCERN MATTERS

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future. However, management has identified the following conditions and events that created an uncertainty about the ability of the Company to continue as a going concern. The Company sustained net operating losses in 2021 of $36,758 and 2020 of $161,637.

The following describes management's plans that are intended to mitigate the conditions and events that raise substantial doubt about the Company's ability to continue as a going concern. The Company plans to raise funds to continue operations through a Reg CF offering. The Company's ability to meet its obligations as they become due is dependent upon the success of management's plans, as described above.

These conditions and events create an uncertainty about the ability of the Company to continue as a going concern through December 21, 2023 (one year after the date that the financial statements are available to be issued). The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE C- 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"). The Company's fiscal year ends December 31.

Significant Risks and Uncertainties

The Company is subject to customary risks, but not limited to, the need for protection of intellectual property, dependence on key personnel, costs of services provided by third parties, the need to obtain additional financing, and limited operating history.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in estimates are recorded in the period they are made. 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.

Inventory

The Company values inventory at the lower of historic cost or market value.

Intangible Assets

Intangible assets are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which usually varies from 3 to 10 years and up to 20 years for patents. An adjustment is made for any impairment. Intangible items acquired must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably. The Intangible asset recorded on the books is comprised of intellectual property. These include patents, the company developed over the years and will be amortized over management's estimate of the asset's useful life.

Revenue

ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied.

Revenue streams have been derived from (1) monthly subscription fees amounting to $168,367 in 2021 and $9,068 in 2020. (2) digital siren hardware sales amounting to $56,122 in 2021 and $3,023 in 2020.

Unearned Revenue

The Company received revenue advances for future sales. Once performance obligations are met, revenue advances are expected to be taken into income after one year of the operating cycle.

Deferred Royalties

During 2021, the Company entered into an agreement to receive several services including, but not limited to, design & development services, commercializing the commercial product, and product design & manufacturing services from a third-party company. The agreement calls for 6% of gross revenues attributable to the target technology that the company sells, to be paid to the holder as a royalty.

During the recent years, The Company deferred a portion of royalty payments which will be repaid at a later date when the Company has sufficient cash flows.

Accounts Receivable

The Company grants trade credit to certain customers when business conditions warrant. Management's experience suggests that losses on accounts receivables are likely to be infrequent. As of December 31, 2021, the Company has accrued a reserve of $0 for doubtful accounts.

Advertising

The Company records advertising expenses in the year incurred.

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities. ASC 740 also provides criteria for the recognition, measurement, presentation, and disclosure of uncertain tax positions. A tax benefit from an uncertain position is recognized only if it is "more likely than not" that the position is sustainable upon examination by the relevant taxing authority based on its technical merit.

The Company is subject to tax filing requirements as a partnership in the federal jurisdiction of the United States. All items of income and expense are reported by the Company's members on their individual tax returns.

The Company is subject to franchise and income tax filing requirements in the State of South Carolina.

Recently Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, or FASB, or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

In November 2015, the FASB issued ASU (Accounting Standards Update) 2015-17, *Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. The guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. For all entities other than public business entities, the guidance becomes effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities as of the beginning of an interim or annual reporting period. The adoption of ASU 2015-17 had no material impact on the Company's financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, or ASU 2016-18. The amendments of ASU 2016-18 were issued to address the diversity in classification and presentation of changes in restricted cash and restricted cash equivalents on the statement of cash flows which is currently not addressed under Topic 230. ASU 2016-18 would require an entity to include amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of period and end of period total amounts on the statement of cash flows. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2018 for non-public entities. Early adoption is permitted, and the standard must be applied retrospectively. The adoption of ASU 2016-18 had no material impact on the Company's financial statements and related disclosures.

In May 2014, the FASB issued ASU, 2014-09—*Revenue from Contracts with Customers (Topic 606)*, or ASU 2014-09, and further updated through ASU 2016-12, or ASU 2016-12, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled to when products are transferred to customers. This guidance is effective for annual reporting periods, and interim periods within those years, beginning December 15, 2018 for non-public entities. The new revenue standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The adoption of ASU 2014-09 had no material impact on the Company's financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which supersedes the guidance in ASC 840, *Leases*. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This guidance is effective for annual reporting periods beginning after December 15, 2019 for non-public entities. The adoption of ASU 2016-02 had no material impact on the Company's financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-based Payment Accounting*, or ASU 2016-09. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Some of the areas of simplification apply only to non-public companies. This guidance was effective on December 31, 2016 for public entities. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for an entity in any interim or annual period for which financial statements have not been issued or made available for issuance. An entity that elects early adoption must adopt all amendments in the same period. The adoption of ASU 2016-09 had no material impact on the Company's financial statements and related disclosures.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, or ASU 2017-09, which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This guidance is effective for annual reporting periods, and interim periods within those years, beginning after December 15, 2017, for both public entities and non-public entities. Early adoption is permitted. The adoption of ASU 2017-09 had no material impact on the Company's financial statements and related disclosures.

NOTE D- DEBT

EIDL Loan

During 2020, the Company received a series of Small Business Administration Loans ("EIDL Loan") in the amount of $4,000. The loans accrue interest at 3.75% per annum and will mature in 2050. The Company will make monthly payments to both incurred interest and principal.

In the subsequent period, the Company received additional funds amounting to $8,200. The additional funds provide the same terms as the original note.

Extinguishment of Debt – Disaster Assistance

In 2021 and 2020, the Company received disaster assistance in the form of loans under the Small Business Administration Program ("SBA"). The Small Business Administration (SBA) allows for cancellation of loans received under the program, provided the borrower uses the loan proceeds for eligible expenses. Eligible expenses include payroll, benefits, rent, and utilities. Loan cancellations are generally not taxable to recipients and do not result in a reduction of deducible expenditures or other tax attributes. As of 2021, all debt associated with the SBA loan has been extinguished as it was determined that the company met the conditions for forgiveness of the loan amount.

Convertible Note

During 2017, the Company issued a convertible promissory note in exchange for cash for the purpose of funding continuing operations ("the Convertible Note"). The Note and any associated accrued interest will convert to equity automatically upon the occurrence of either an equity offering, or at maturity (with the consent of a majority of holders). The Note accrues interest at the rate of 2% per annum plus the prime rate, but in no event higher than 10% per annum. During 2021, an amendment was executed by the Company and the holder, which states that the Note will bear no interest period and extended the maturity date to July 15, 2024. During 2021 and 2020, the Company capitalized approximately $2,173 in accrued interest related to the Note. Upon conversion of the Company into a corporation and at the request of the holder, the Note will convert into preferred stock.

Line of Credit-Current

During 2016, The Company received a revolving line of credit ("Line of Credit") amounting to $15,000 that is secured with assets. The line of credit accrues interest at the rate of 5.0% per annum and is payable on a monthly basis until all debt is settled. The assets that serve as collateral goes as follows: Property. The holder has the option to request full payment of the loan principal, interest and all charges, at any given time.

Related Party Loans

During 2021 and prior years, the company issued a series of related party notes payable in exchange for cash for the purpose of continuing operations ("the Related Party Loans"). The notes bear no interest and are payable at a future date to be determined by management.

NOTE E- EQUITY

Under the Company's operating agreement, the Company is authorized to issue 100,000 Units, whether Class A Units or Class B Units. The Company currently has two classes of equity outstanding:

Class A Units: Class A units shall be entitled to cast one vote for each Class A Unit that the Member owns.

Class B Units: Class B units shall be entitled to cast one vote for each Class B Unit that the Member owns.

As of December 31, 2021, the number of shares issued and outstanding by class was as follows:

Class A	68,100
Class B	31,900

NOTE F- FAIR VALUE MEASUREMENTS

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

Level 1 - Observable inputs, such as quoted prices for identical assets or liabilities in active markets;
Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, or market-corroborated inputs; and
Level 3 - Unobservable inputs for which there is little or no market data which require the reporting entity to develop its own assumptions about how market participants would price the assets or liabilities.

The valuation techniques that may be used to measure fair value are as follows:

Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option-pricing models, and excess earnings method.
Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

NOTE G- 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 H- LLC MEMBER LIABILITY

The Company is organized as a limited liability company. As such, the financial liability of members of the Company for the financial obligations of the Company is limited to each member's contribution of capital to the Company.

NOTE I- SUBSEQUENT EVENTS

Management considered events subsequent to the end of the period but before December 21, 2022, the date that the financial statements were available to be issued.