



**American Stories Entertainment, Inc**  
**Audited Financial Statements**  
For the years ended 2024 and 2023

**American Stories Entertainment, Inc.**

**Financial Statements**

For the years ended 2023 and 2024

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April 29, 2024

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors and Members of

**American Stories Entertainment, Inc.**

1350 County Road 1 #2156

Dunedin, FL 34697

## **REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying balance sheet of American Stories Entertainment, Inc. as of December 31, 2024 and 2023 and the related statements of operations, changes in owner's equity and cash flows for the years then ended and the notes to those statements.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements is also executed.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.



We believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **OPINION**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Stories Entertainment, Inc. as of December 31, 2024 and 2023 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountant, NH 08224

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**American Stories Entertainment, Inc.**

**Balance Sheet Statement**

As of December 31, 2024 & 2023

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Bank Balance	26,140	417
Accounts Receivables	2,261	342
<b>Total Current Assets</b>	<b>28,402</b>	<b>759</b>
<b>Non-Current Assets</b>		
Produced Films	3,610,321	2,342,860
Accumulated Amortization	(616,787)	(342,126)
<b>Total Intangible Assets</b>	<b>2,993,535</b>	<b>2,000,734</b>
<b>TOTAL ASSETS</b>	<b>3,021,936</b>	<b>2,001,493</b>
 <b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Loans	37,700	38,200
<b>Total Liabilities</b>	<b>37,700</b>	<b>38,200</b>
<b>Equity</b>		
Common Stock – Class A – Voting Shares	2,000	2,000
Common Stock – Class B – Non-Voting Shares	2,078,940	1,787,472
Retained Earnings	903,296	173,821
<b>Total Equity</b>	<b>2,984,236</b>	<b>1,963,293</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,021,936</b>	<b>2,001,493</b>

**American Stories Entertainment, Inc.****Income Statement**

For the years ended 2024 &amp; 2023

	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Sales	1,162,849	770,053
Sales Discounts	(29)	(2,004)
<b>Net Revenues</b>	<b>1,162,820</b>	<b>768,049</b>
<b>Operating Expenses</b>		
Outside Services	-	68,231
Travel Expense	21,216	6,424
Advertising Revenue Sharing	1,512	-
Professional Fees	8,410	9,799
Dues & Subscriptions	52,104	48,857
Advertising and Promotion	61,497	34,597
Software Expenses	1,637	1,046
Miscellaneous Expenses and Fees	9,639	11,257
Bank Service Charges	2,668	2,369
Amortization Expense	274,661	222,112
<b>Total Operating Expenses</b>	<b>433,344</b>	<b>404,691</b>
<b>Net Income</b>	<b>729,475</b>	<b>363,358</b>

**American Stories Entertainment, Inc.**

**Statement of Changes in Equity**

For the years ended 2024 & 2023

	Class A Common Stock		Class B Common Stock		Retained Earnings (Deficit)	Total
	Shares	Amount	Shares	Amount		
<b>Balance - January 1, 2023</b>	<b>2,000</b>	<b>\$ 2,000</b>	<b>11,967,366</b>	<b>\$ 1,518,509</b>	<b>(\$ 189,537)</b>	<b>\$ 1,330,973</b>
Capital Contributions During 2023	-	-	38,363,554	268,962	-	1,599,935
Net Income (Loss) – 2023	-	-	-	-	363,358	1,963,293
<b>Balance - December 31, 2023</b>	<b>2,000</b>	<b>\$ 2,000</b>	<b>50,330,920</b>	<b>\$ 1,787,472</b>	<b>\$ 173,821</b>	<b>\$ 1,963,293</b>
Capital Contributions During 2024	-	-	793,700	366,117	-	2,329,410
Net Income (Loss) – 2024	-	-	-	-	729,475	3,058,885
<b>Balance - December 31, 2024</b>	<b>2,000</b>	<b>\$ 2,000</b>	<b>51,124,620</b>	<b>\$ 2,153,589</b>	<b>\$ 903,296</b>	<b>\$ 3,058,885</b>

The accompanying notes are an integral part of these financial statements

**American Stories Entertainment, Inc.****Statement of Cash Flows**

For the years ended 2024 &amp; 2023

	<b>2023</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Net Income (Loss)	729,475	363,358
<i>Adjustments to reconcile net loss to net cash used in operating activities:</i>		
Amortization of Films	274,661	222,112
Change in Accounts Receivables	(1,919)	-
<b>Net Cash Used in Operating Activities</b>	<b>1,002,217</b>	<b>585,470</b>
 <b>Cash Flows from Investing Activities</b>		
Produced Films	(1,267,461)	(870,701)
<b>Net Cash Flows from Investing Activities</b>	<b>(1,267,461)</b>	<b>(870,701)</b>
 <b>Cash Provided by Financing Activities</b>		
Loans	(500)	13,200
Common Shares	291,468	268,962
<b>Net Cash Provided by Financing Activities</b>	<b>290,968</b>	<b>282,162</b>
 <b>Net Change in Cash</b>	<b>25,723</b>	<b>(3,068)</b>
Cash and Cash Equivalents - Beginning of Year	417	3,485
<b>Cash and Cash Equivalents - End of Year</b>	<b>26,140</b>	<b>417</b>



## **American Stories Entertainment, Inc.**

### **Notes to the Financial Statements**

As of December 31, 2024 & 2023

#### **NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS**

American Stories Entertainment, Inc. was incorporated in Florida in December 2020. The company produces TV programming for its channels found on Roku, Amazon Fire TV and Apple TV. The company generates income through advertising, merchandise sales both physical and digital, and TV distribution rights. The company has already produced and/or distributed over 40 episodes of programming. ASE also is accelerating NFT sales, and digital merchandise, in 2023 and 2024.

#### **NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

##### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

##### Cash

The Company deposits its cash with financial institutions that Management believes are of high credit quality. The Company's cash consists primarily of cash deposited in U.S. dollar denominated demand-deposit accounts.

##### Accounts Receivables and Allowance for Doubtful Accounts

Accounts receivables are stated at Net Realizable Value (NRV). On a periodic basis, management evaluates its accounts receivable and determines whether to provide an allowance or if any accounts should be written off based on a past history of write offs, collections, and current credit conditions. A receivable is considered past due if the company has not received payments based on agreed-upon terms. The company generally does not require any security or collateral to support its receivables.

##### Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, control has been transferred, the fee is fixed or determinable, and collectability is reasonably assured. In instances where final acceptance of the product is specified by the customer, revenue is deferred until all acceptance criteria have been met.

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 arrangements:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations in the contract, and
- Recognize revenue as the performance obligation is satisfied.

**American Stories Entertainment, Inc.****Notes to the Financial Statements (continued)**

As of December 31, 2024 &amp; 2023

**NOTE 3 - PRODUCED FILMS**

Based on FASB standard update (Subtopic 926-20) Entertainment—Films—Other Assets—Film Costs, the company has capitalized direct costs spent for the production of those movies.

The management decided to capitalize the films based on the total duration of the films as a standard for cost allocation and the percentage of completion of each film at the end of the year. Furthermore, management have identified the direct costs related to films production, and with respect to the conservatism principle, capitalized percentage of the costs that may have some transactions not directly related to the films production. The below schedules illustrate the costs allocated and the films costs that have been capitalized:

**1. Direct costs incurred and capitalized:**

Cost Center	2021	2022	2023	2024	Capitalized Amount
Outside Services	374,889	218,218	614,075	979,969	2,187,151
Shoot & Event Exp	431,457	259,236	230,861	208,095	1,129,649
Travel Expense	42,688	29,355	19,271	63,649	154,963
Other Shooting Expenses	16,094	87,267	5,695	16,408	125,464
Shoot Equipment	10,791	-	799	1,504	13,094
<b>Total</b>	<b>875,919</b>	<b>596,241</b>	<b>870,701</b>	<b>1,269,625</b>	<b>3,610,321</b>

**2. Films Produced and Capitalized.**

#	Series Name	Percentage of Completion 2024	Cost
1	Surviving Mann - Season 1	100%	190,526.67
2	Surviving Mann - Season 2	100%	223,628.64
3	Surviving Mann Aftermath - Season 1	100%	131,903.08
4	Surviving Mann Aftermath - Season 2	25%	117,023.69
5	Country Ball - Season 1	100%	216,041.37
6	Country Ball - Season 2	20%	112,342.74
7	This Week In High School Football	100%	80,900.56
8	Friday Night Game Of The Week	50%	526,807.76

**American Stories Entertainment, Inc.****Notes to the Financial Statements (continued)**

As of December 31, 2024 &amp; 2023

#	Series Name	Percentage of Completion 2024	Cost
9	Get The Word Out	100%	18,466.43
0	Surviving Mann All Stars - Season 1	100%	214,180.78
11	Surviving Mann All Stars - Season 2	100%	69,935.82
12	Beyond The Close	100%	173,787.28
13	Surviving Mann - Season 3	100%	467,065.45
14	Surviving Mann Aftermath - Season 3	100%	459,988.70
15	Real Man TV	100%	43,890.25
16	Big reveal	100%	21,945.12
17	Surviving Mann All Stars - Season 2	100%	138,096.12
18	Boom America	75%	395,012.25
19	The Mission	40%	8,778.05
<b>Total</b>			<b>3,610,321</b>

**NOTE 5 – IMPAIRMENT OF CAPITALIZED ASSETS**

Based on FASB standard update (Subtopic 926-20) Entertainment—Films—Other Assets—Film Costs, the standard requires management to assess the value of the produced films on regular basis for impairment.

Management estimates the life of each produced film and shall amortize those assets based on the estimated lifetime. Furthermore, management will test those films for impairment at the end of each year following the production year. Below table shows the amortization expense for 2022.

#	Description	Life in Years	Total Cost Eligible for Amortization	Amortization 2024
1	Surviving Mann - Season 1	5	190,527	38,105
2	Surviving Mann - Season 2	5	223,629	44,726
3	Surviving Mann Aftermath - Season 1	5	131,903	26,381
4	Country Ball - Season 1	5	216,041	43,208
5	This Week In High School Football	3	80,901	26,967

**American Stories Entertainment, Inc.**

**Notes to the Financial Statements (continued)**

As of December 31, 2024 &amp; 2023

#	Description	Life in Years	Total Cost Eligible for Amortization	Amortization 2024
6	Get The Word Out	5	18,466	3,693
7	Surviving Mann All Stars - Season 1	5	214,181	42,836
8	Surviving Mann All Stars - Season 2	5	69,936	13,987
9	Beyond The Close	5	173,787	34,757
Total			1,319,371	274,661

**NOTE 6 - INCOME TAXES**

Income taxes are provided based upon the liability method. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by accounting standards to allow recognition of such an asset.

**NOTE 7 – STOCKHOLDERS’ EQUITY**

The Company is authorized to issue (296,000,000) shares of which (256,000,000) are Common Stock, (8,000) of which are voting Common Shares (Class A Shares) and the remaining Common Shares are non-voting shares (Class B Shares); as well as (40,000,000) shares of Preferred Stock, having a par value of \$0.0001 per share.

As of December 31, 2023, there were 2,000 shares of common stock with voting rights issued and outstanding, and 50,330,920 stocks with no voting rights issued and outstanding.

As of December 31, 2023, there were 2,000 shares of common stock with voting rights issued and outstanding, and 51,124,620 stocks with no voting rights issued and outstanding.

**NOTE 8 – PAYABLES**

The QSM loan balance is \$37,700, which is a related party rotating balance loan, and should be settled soon as cash is available.