



**Noble Story Co. LLC #1** (the “Company”) a Michigan Limited Liability Company

Financial Statements (unaudited) and  
Independent Accountant’s Review Report

Years Ended December 31, 2020 & 2021



**Mongio &**  
**Associates CPAs LLC**  
Tax - Accounting - Advisory  
Saving Time, Money, & Stress

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To Management  
Noble Story Co. LLC #1

We have reviewed the accompanying financial statements of the Company which comprise the statement of financial position as of December 31, 2020 & 2021 and the related statements of operations, statement of changes in member equity, and statement of cash flows for the years and 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 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 controls 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**

As discussed in Note 8, certain conditions indicate that the Company may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs.

Vince Mongio, CPA, CIA, CFE, MACC  
Miami, FL  
February 21, 2022

*Vincenzo Mongio*

### Statement of Financial Position

	Year Ended December 31,	
	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	5,498	6,052
Other Assets	14,500	14,500
Total Current Assets	19,998	20,552
<b>TOTAL ASSETS</b>	<b>19,998</b>	<b>20,552</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable	13,184	-
Total Current Liabilities	13,184	-
<b>TOTAL LIABILITIES</b>	<b>13,184</b>	<b>-</b>
<b>EQUITY</b>		
Member's Capital	108,000	31,000
Accumulated Deficit	(101,186)	(10,448)
Total Equity	6,814	20,552
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,998</b>	<b>20,552</b>

### Statement of Operations

	Year Ended December 31,	
	2021	2020
Revenue	-	-
Cost of Revenue	-	-
Gross Profit	-	-
Operating Expenses		
Advertising and Marketing	4,362	1,590
General and Administrative	86,718	8,858
Total Operating Expenses	91,080	10,448
Operating Income (loss)	(91,080)	(10,448)
Other Income		
Interest Income	-	-
Other	342	-
Total Other Income	342	-
Provision for Income Tax	-	-
Net Income (loss)	(90,737)	(10,448)

**Statement of Cash Flows**

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Net Income (Loss)	(90,737)	(10,448)
Adjustments to reconcile Net Income to Net Cash provided by operations:		
Accounts Payable	13,184	-
Capitalized Option Contracts	-	(14,500)
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	13,184	(14,500)
Net Cash provided by (used in) Operating Activities	(77,554)	(24,948)
<b>FINANCING ACTIVITIES</b>		
Member's Capital	77,000	31,000
Net Cash provided by (used in) Financing Activities	77,000	31,000
Cash at the beginning of period	6,052	-
Net Cash increase (decrease) for period	(554)	6,052
Cash at end of period	5,498	6,052

**Statement of Changes in Member Equity**

	<b>Common Units</b>		<b>Series A Preferred Units</b>		<b>Accumulated Deficit</b>	<b>Total Member Equity</b>
	<b># of Units</b>	<b>\$ Amount</b>	<b># of Units</b>	<b>\$ Amount</b>		
Beginning Balance at 3/4/2020 (Inception)	-	-	-	-	-	-
Capital Contributions	2,500,000	1,000	110,000	30,000	-	31,000
Net Income (Loss)	-	-	-	-	(10,448)	(10,448)
Ending Balance 12/31/2020	2,500,000	1,000	110,000	30,000	(10,448)	20,552
Capital Contributions	-	-	385,000	77,000	-	77,000
Net Income (Loss)	-	-	-	-	(90,737)	(90,737)
Ending Balance 12/31/2021	2,500,000	1,000	495,000	107,000	(101,186)	6,814

**Noble Story Co. LLC #1**  
**Notes to the Unaudited Financial Statements**  
**December 31st, 2021**  
**\$USD**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Noble Story Co. LLC #1 (“the Company”) was formed in Michigan on March 4<sup>th</sup>, 2020 and operates its business with offices currently located in Grand Rapids, Michigan and Lodi, California. The Company is an independent development and production company dedicated to developing meaningful stories into motion pictures that deserve re-watching.

The Company uses a proven business approach trusted by the most successful independent production companies. This business plan involves acquiring and developing story IP, utilizing development capital. The production budgets of its films are largely funded by external financiers.

The Company works with established industry leaders during every phase of its projects - including top-shelf screenwriters, insurance brokers, directors, agents, studio executives, and more. The Company also connects its films to the global market of filmgoers by engaging licenses with the world's leading distributors.

The Company will conduct a crowdfunding campaign under regulation CF in 2022 to raise operating capital.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Consolidation

The consolidated financial statements include the accounts of Christmas Miracle, LLC, a wholly owned subsidiary formed for the purposes of developing and incurring the costs of producing a movie for which the Company purchased the screenplay and source material (please see “Other Assets”). This separate entity is managed by the Company. No significant intercompany accounts and transactions have been incurred yet.

Basis of Presentation

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). Our fiscal year ends on December 31. The Company has no interest in variable interest entities and no predecessor entities.

Use of Estimates and Assumptions

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 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. 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.

Fair Value of Financial Instruments

ASC 820 “*Fair Value Measurements and Disclosures*” establishes a three-tier fair value hierarchy, which prioritizes the inputs in measuring fair value. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

These tiers include:

Level 1: defined as observable inputs such as quoted prices in active markets;

Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3: defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

#### Concentrations of Credit Risks

The Company's financial instruments that are exposed to concentrations of credit risk primarily consist of its cash and cash equivalents. The Company places its cash and cash equivalents with financial institutions of high credit worthiness. The Company's management plans to assess the financial strength and credit worthiness of any parties to which it extends funds, and as such, it believes that any associated credit risk exposures are limited.

#### Revenue Recognition

The Company recognizes revenue from the sale of products and services in accordance with ASC 606, "Revenue Recognition" following the five steps procedure:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize Revenue When or As Performance Obligations Are Satisfied

The Company will identify and analyze its performance obligations with respect to customer contracts once the first contract is signed.

#### Other Assets

Other Assets consists of options for non-original screenplay together with unique components of the feature-length motion picture. The ending balance of such options for screenplays was \$14,500 as of December 31, 2020 and 2021.

#### Advertising Costs

Advertising costs associated with marketing the Company's products and services are generally expensed as costs are incurred.

#### General and Administrative

General and administrative expenses consist of payroll and related expenses for employees and independent contractors involved in general corporate functions, including accounting, finance, tax, legal, business development, and other miscellaneous expenses.

#### Income Taxes

The Company is a pass-through entity therefore any income tax expense or benefit is the responsibility of the company's owners. As such, no provision for income tax is recognized on the Statement of Operations.

#### Recent accounting pronouncements

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our financial statements.

### **NOTE 3 – RELATED PARTY TRANSACTIONS**

The Company follows ASC 850, “Related Party Disclosures,” for the identification of related parties and disclosure of related party transactions.

2A Entertainment, LLC, a Michigan Limited Liability Company, was formed on January 23<sup>rd</sup>, 2019 and is owned by the Company’s founders. In August 2020, the Company amended its operating agreement to make 2A Entertainment, LLC its manager. It also owns 83.47% of the Company’s ownership interest.

### **NOTE 4 – COMMITMENTS, CONTINGENCIES, COMPLIANCE WITH LAWS AND REGULATIONS**

We are currently not involved with or know of any pending or threatening litigation against the Company or any of its officers. Further, the Company is currently complying with all relevant laws and regulations.

### **NOTE 5 – DEBT**

None.

### **NOTE 6 – EQUITY**

The Company is a multi-member LLC with three classes of ownership interest: Common, Preferred, and Profits Interests.

The Company has authorized 10,000,000 Units of Common Interest, 5,000,000 Units of Preferred Interest, and 100,000 Units of Profits Interest. Of the 5M Units of Preferred Interest, 1,500,000 Units shall be designated as Series A Preferred Units, and 1,510,000 Units shall be designated as Series B Preferred Units. Only Unitholders of Common Interest and Series A Preferred Interest have the right to vote. Profit and loss for each taxable year shall be allocated on a pro rata basis among the Members in accordance with their percentage of ownership interest in the following order: (1) to each holder of Series A Preferred Units until 115% of capital contributions has been distributed; (2) to each holder of Series B Preferred Units until 110% of capital contributions has been distributed; (3) to each holder of Common Units until 100% of capital contributions has been distributed.

As the Manager of the Company, 2A Entertainment, LLC may issue Units of Profits Interest to officers, directors, employees, independent contractors, or consultants of the Company. Such Units may be subject to vesting, will have no right to vote, and will be granted at the fair market value of a Common Unit as of the date of the grant.

Following the distribution of capital proceeds in the respective amounts of 115% and 110% of capital contributions to Series A and Series B Preferred Unitholders, both classes of Preferred Unitholders will automatically convert into Common Unitholders at a rate of 1 to 1. Once all capital contributions have been reduced to zero for Series A, Series B, and Common Members, any distributable cash or capital proceeds shall be distributed to all Members on a pro rata basis in proportion to their respective percentages of ownership interest; provided, however, that Unitholders of Profits Interest shall only receive distributions in an amount that is equal to the excess of the distributable cash available to Common Unitholders over the fair market value of a Common Unit at the time of the original Profits Interest grant.

2,500,000 Units of Common Interest were issued and outstanding as of December 31, 2020 and 2021.

110,000 and 495,000 Units of Series A Preferred Interest were issued and outstanding as of December 31, 2020 and 2021, respectively.

### **NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to December 31, 2021 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through February 21, 2022, the date these financial statements were available to be issued.

In February 2022, the Company entered into two (2) Promissory Note agreements for a total amount of \$60,000 with interest rates of 6.5% and maturities in February 2023.

#### **NOTE 8 – GOING CONCERN**

The accompanying balance sheet has been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The entity has not commenced principal operations and will likely realize losses prior to generating positive working capital for an unknown period of time. During the next twelve months, the Company intends to finance its operations with funds from a crowdfunding campaign and revenue producing activities.

The Company's ability to continue as a going concern in the next twelve months following the date the financial statements were available to be issued is dependent upon its ability to produce revenues and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results. Management has evaluated these conditions and plans to generate revenues and raise capital as needed to satisfy its capital needs. No assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities.

#### **NOTE 9 – RISKS AND UNCERTAINTIES**

##### ***COVID-19***

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. Note: this disclosure assumes there is no significant doubt about the entity's ability to continue as a going concern.