

APPENDIX B:  
FINANCIAL STATEMENTS  
(Unaudited)

# Atlas ALX LLC

Financial Statements and Report

December 31, 2022

## Table of Contents

Independent Accountant's Review Report .....	2
Balance Sheet .....	4
Statement of Income .....	5
Statement of Members' Equity .....	6
Statement of Cash Flows .....	7
Notes to the Financial Statements .....	8



**TESSERACT  
ADVISORY  
GROUP**

### **Independent Accountant's Review Report**

To Management of:  
Atlas ALX LLC

We have reviewed the accompanying financial statements of Atlas ALX LLC (the company), which comprise the statements of balance sheet as of December 31, 2022, and the related statements of income, members' equity, and cash flows for the period then ended (since incorporation), and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the company's 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.

*We are required to be independent of Atlas ALX LLC (the Company) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.*

**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.

**Substantial Doubt About the Company's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in Note 2 to the financial statements, the company has not yet begun operations or secured funding and has stated that substantial doubt exists about the company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The 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.



---

Philip Debaugh, CPA

OWINGS MILLS, MD

February 23, 2023

**Atlas ALX LLC**  
Balance Sheet (Unaudited)  
As of December 31, 2022

<hr/>	
Assets	-
Cash and cash equivalents	\$ -
<hr/>	
<b>Total Assets</b>	<b>-</b>
<hr/>	
Liabilities & Members' Equity	-
Liabilities	-
Accounts payable and accrued expenses	-
<hr/>	
<b>Total Liabilities</b>	<b>-</b>
<hr/>	
Members' Equity	-
<hr/>	
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ -</b>
<hr/>	

**Atlas ALX LLC**  
Statement of Income (Unaudited)  
For the period (since incorporation) ended December 31, 2022

Revenues	\$	-
Cost of Revenues		-
<b>Gross Profit (Loss)</b>		-
Operating Expenses		-
Salaries and wages		-
<b>Total Operating Expenses</b>		-
<b>Net Income (Loss)</b>	\$	-

**Atlas ALX LLC**  
Statement of Members' Equity (Unaudited)  
For the period (since incorporation) ended December 31, 2022

	<b>Retained Earnings</b>	<b>Total Members' Equity</b>
Balance at November 9, 2022	-	-
Net income (loss)	-	-
<b>Balance at December 31, 2022</b>	<b>\$ -</b>	<b>\$ -</b>



**Atlas ALX LLC**  
Statement of Cash Flows (Unaudited)  
For the period (since incorporation) ended December 31, 2022

Net income (loss)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ -</b>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>-</b>
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>-</b>
Cash, cash equivalents, and restricted cash at beginning of period	-
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<b>\$ -</b>

## **Notes to the Financial Statements**

**Atlas ALX LLC**  
Notes to the Financial Statements  
For the period ended December 31, 2022

**1. Summary of significant accounting policies**

**a. Nature of operations**

Atlas ALX LLC (the Company) is a craft brewery doing business as “Atlas Brew Works Alexandria” whose primary focus is the brewing and serving of craft beer. The Company will open and operate a brewpub with pizza kitchen in Alexandria, VA, where it will brew beer on-site to serve to customers, along with selling beer brought in from distributors. The pizza kitchen will serve a full menu of house-made pies, salads and wings. The company is currently pursuing debt financing from banks and anticipates opening for business in the Q4 of 2023.

**b. Basis of accounting**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as detailed in the Financial Accounting Standards Board’s Accounting Standards Codification. The financial statements have been prepared on the accrual basis of accounting. These financial statements cover the period from the Company’s incorporation on November 9, 2022 to December 31, 2022.

**c. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (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. Actual results could materially differ from those estimates.

**d. Fair value measurements**

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and such principles also establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Atlas ALX LLC**  
Notes to the Financial Statements  
For the period ended December 31, 2022

- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
  
- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

The carrying amounts of financial instruments in the accompanying balance sheets approximate their fair values due to their relatively short-term nature.

**e. Income taxes**

The Company is a limited liability company taxed as a pass through entity. The accompanying financial statements do not include a provision, benefit, liability, or refund receivable for federal and state income taxes because the members are taxed individually on their share of the limited liability company earnings.

**2. Going concern**

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. As shown in the accompanying financial statements, the Company has yet to begin operations or obtain funding. Those factors and conditions create a substantial doubt about the Company's ability to continue as a going concern for the year following the date the financial statements are available to be issued. Management of the Company has evaluated these conditions and has proposed a plan to continue to raise funds via a crowdfunding campaign. The ability of the Company to continue as a going concern and meet its obligations as they become due is dependent on management's ability to successfully implement the plan. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**3. Subsequent events**

Management evaluated all activity of the Company through February 23, 2023 (the issuance date of the financial statements) and concluded that no subsequent events have occurred that would require

**Atlas ALX LLC**  
Notes to the Financial Statements  
For the period ended December 31, 2022

recognition in the financial statements or disclosure in the related notes to the financial statements.